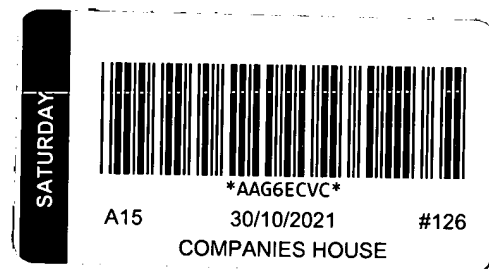


Company Registration No. 08654998 (England and Wales)

K&C (NEWBURY) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



K&C (NEWBURY) LTD

COMPANY INFORMATION

Directors

D A White
R J Naylor
R J Boon

Company number

08654998

Registered office

Gladstone House
77-79 High Street
Egham
Surrey
United Kingdom
TW20 9HY

Auditor

BDO LLP
55 Baker Street
London
United Kingdom
W1U 7EU

Solicitors

Bryan Cave Leighton Paisner LLP
Governor's House
5 Laurence Pountney Hill
London EC4R 0BR

Blake Morgan LLP
6 New Street Square
London EC4A 3DJ

K&C (NEWBURY) LTD

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K&C (NEWBURY) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements for the year ended 30 June 2021.

Going concern

The directors have adopted the going concern basis in preparing the financial statements. This is further explained in the notes to the financial statements.

Principal activities

Since the Company sold all of the properties in its portfolio, it has been effectively dormant.

Results and dividends

The directors do not recommend payment of a dividend for the year (2020 - £nil).

Directors

The following directors served during the year to 30 June 2021 and up to the date of approval of the financial statements:

D A White
R J Naylor
R J Boon

Risk Management

In the normal course of the business, the Company is exposed to a variety of financial risks that have the potential to have material effect on the Company's financial performance.

The Company's overall risk-management programme seeks to minimise the potentially adverse effect of risk on the Company's financial performance in a manner consistent with the Company's investment objective. The principal categories of risk identified by the Board are credit, liquidity and market risks. The Company's financial risk management and mitigation policies are set out in the notes to the financial statements.

Post reporting date events

There are no post balance sheet events to disclose for the Company.

Auditor

In accordance with the company's articles, a resolution proposing that BDO LLP be reappointed as auditor of the company will be put at a General Meeting.

K&C (NEWBURY) LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

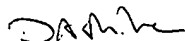
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Small Company Provision

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

On behalf of the board



D A White
Director

22 October 2021

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF K&C (NEWBURY) LTD

Opinion on the financial statements

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of K&C (Newbury) Limited (the 'Company') for the year ended 30 June 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF K&C (NEWBURY) LTD

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

K&C (NEWBURY) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF K&C (NEWBURY) LTD

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Group's compliance with the Real Estate Investment Trust (REIT) status section 1158 of the Corporation Tax Act 2010 and the UK regulatory principles, such as the Companies Act 2006, to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Risk Committee and the Audit Committee of the Group;
- Challenging assumptions and judgements made by management in their significant areas of estimation; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Directed by:

Alexander Tapp

Alexander Tapp (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London

22 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

K&C (NEWBURY) LTD

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Administrative expenses		-	(175)
		<hr/>	<hr/>
Operating profit/(loss)		-	(175)
Taxation	7	-	-
		<hr/>	<hr/>
Profit/(loss) and total comprehensive expense for the year		-	(175)
		<hr/>	<hr/>

Other Comprehensive Income

There is no other comprehensive income and accordingly no statement of other comprehensive income is issued.

K&C (NEWBURY) LTD

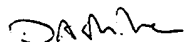
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	2020 £
Total assets		-	-
Net current assets		-	-
Total liabilities		-	-
Net assets		-	-
Equity			
Called up share capital	8	75,000	75,000
Retained earnings		(75,000)	(75,000)
Total equity		-	-

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors and authorised for issue on 22 October 2021 and are signed on its behalf by:



D A White
Director

Company Registration No. 08654998

K&C (NEWBURY) LTD**STATEMENT OF CHANGES IN EQUITY*****FOR THE YEAR ENDED 30 JUNE 2021***

	Share capital £	Retained earnings £	Total £
Balance at 1 July 2019	75,000	(74,825)	175
Loss and total comprehensive expense for the year	-	(175)	(175)
Balance at 30 June 2020	75,000	(75,000)	-
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 2021	75,000	(75,000)	-

K&C (NEWBURY) LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	12	-	(175)
		<hr/>	<hr/>
Net cash outflow from operating activities		-	(175)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		-	(175)
Cash and cash equivalents at beginning of year		-	175
		<hr/>	<hr/>
Cash and cash equivalents at end of year		-	-
		<hr/>	<hr/>

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting conventions

Company information

K&C (Newbury) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company information page.

Statement of compliance

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on the historical cost basis.

Functional and presentational currency

The financial statements are presented in Pounds Sterling ("GBP"), which is the Company's functional and presentational currency.

1.1 Going concern

The financial statements have been prepared on a going concern basis. This requires the directors to consider, as at the date of approving the financial statements, that there is reasonable expectation that the Company has adequate financial resources to continue to operate, and to meet its liabilities as they fall due for payment, for at least twelve months following the approval of the financial statements.

The Company has undertaken procedures to ensure that the Company has sufficient cash resources and bank facilities and with sufficient covenant margin to manage the potential financial impact of the Covid-19 pandemic on its business under going concern principles. These procedures included the following:

- Reviewing and establishing that cash balances and bank facilities are sufficient to cover at least twelve months of operations;
- Review of financial covenant ratios and the Company's ability to meet the covenants for a period of at least twelve months of operation; and
- Reviewing cash flow forecast scenarios. Any decision on property acquisitions and developments in the next twelve months will be taken following review of revised cash flow forecasts.

In the light of the results of the procedures described above, the directors consider that the adoption of the going concern basis is reasonable and appropriate.

1.2 Cash and cash equivalents

Cash and cash equivalents comprises balances with banking institutions.

1.3 Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

1.4 Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. As a member of a REIT group, the Company is generally not liable to corporation tax.

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Adoption of new and revised standards and changes in accounting policies

The Company has applied the following accounting standards that are mandatorily effective for accounting periods commencing on or after 1 January 2020:

- Amendments to IAS 1 and IAS8: Definition of Material
- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39 : Interest Rate Benchmark reform
- Amendments to References to the Conceptual Framework in IFRS Standards
- Covid-19 Related rent concessions (Amendment to IFRS 16)

The application of these amendments have not had a material impact on the amounts reported in these financial statements.

Standards which are in issue but not yet effective

As at 30 June 2021, the Company has not applied the following new and revised standards that have been issued but are not yet effective:

- Amendments to IAS 1: Classification of liabilities as current or non current
- Amendments to IAS 16: Property, plant and equipment: Proceeds before intended use
- Amendments to IFRS 3: Reference to the conceptual framework
- Annual improvements to IFRS Standards 2018-2020
- Amendments to IAS 37: Onerous Contracts – cost of fulfilling a contract

The directors do not anticipate that the adoption of the above new and revised standards will have a significant impact on the financial statements of the Company in future periods.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future years affected.

The directors do not believe, given the status of the Company, that there are any significant estimates or judgements.

4 Segmental Reporting

The Company was involved in UK property ownership and letting and was considered to operate in a single geographical and business segment. Since the Company sold all of the properties in its portfolio it has been effectively dormant.

5 Profit before taxation

Auditors' remuneration is borne by the parent company.

6 Employees

There were no staff costs or directors' remuneration for the year ended 30 June 2021 (2020 - £nil).

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 30 June 2021 (2020 - £nil).

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before taxation	-	(175)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2020: 19.00%)	-	(33)
Unutilised tax losses carried forward	-	33
Taxation charge for the year	-	-

8 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.5p each	15,000,000	15,000,000	75,000	75,000

All shares rank parri passu for the purposes of dividends, voting and return on capital.

10 Financial instruments

The Company's directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital management

The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Company considers its capital to comprise equity capital less accumulated losses.

10 Post balance sheet events

There are no post balance sheet events to disclose in this Company.

K&C (NEWBURY) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Ultimate parent company

The Company is a wholly owned subsidiary of KCR Residential REIT plc. The registered office of the parent company is Gladstone House, 77-79 High Street, Egham, Surrey, TW20 9HY,

The parent undertakings produces consolidated accounts which incorporate the results of K&C (Newbury) Limited and can be obtained from the registered office or from www.kcrreit.com.

12 Cash absorbed by operations

	2021 £	2020 £
Profit/(loss) for the year after tax	-	(175)
	<hr/>	<hr/>
Cash absorbed by operations	-	(175)
	<hr/>	<hr/>