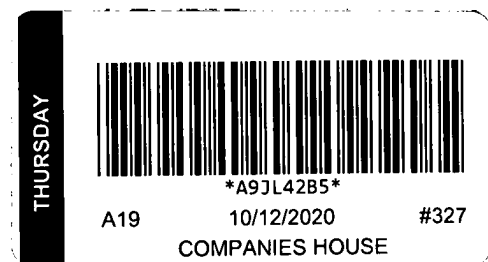


Registration number: 09818570

# Kirkstall Estate Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



## **Kirkstall Estate Management Limited**

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# **Kirkstall Estate Management Limited**

## **Company Information**

<b>Directors</b>	Andrew Woods
	Gerard Versteegh
	Jaysal Atara
	Nicholas Lee
<b>Registered office</b>	Sloane Square House 1 Holbein Place London SW1W 8NS
<b>Auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

## **Kirkstall Estate Management Limited**

### **Directors' Report for the Year Ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

#### **Results and dividends**

The statement of comprehensive income is set out on page 7 and shows the profit for the year.

#### **Principle risks and uncertainties**

With the passing of legislation to confirm the United Kingdom's (UK) withdrawal from the European Union (EU) we are operating in a period of increased economic and political uncertainty. This uncertainty is likely to remain until the precise nature of the future relationship of the UK with the EU is agreed. As a largely domestically focused business operating in sterling, the company is more exposed to the economic impact of leaving the EU than more diverse businesses. Uncertainty over the form and substance of the UK's future trading agreement with the EU increases the risk of a detrimental effect on the domestic economy. We continue to believe that our more regionally focused strategy is well suited to such an environment and whilst Brexit-related headwinds may impact our land markets, clarity of the full extent will not be known for some years.

#### **Directors of the company**

The directors who held office during the year and to the date of this report were as follows:

Andrew Woods

Gerard Versteegh

Jaysal Atara

Nicholas Lee

Jonathan Kenny (resigned 24 May 2019)

#### **Going concern**

The directors consider that it is appropriate to adopt the going concern basis in preparing the financial statements. For further details see note 2 to the financial statements.

#### **Important non adjusting events after the financial period**

As further described in note 2, subsequent to the balance sheet date, the spread of COVID-19 has impacted on the ability of the company and group, of which the company is a subsidiary, to collect rental receipts as planned. This has had an adverse impact on the group's profit generation. The impact, if any, on the valuation of the group's investment and trading properties cannot be estimated with any certainty at this time.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29th September 2020 and signed on its behalf by:



.....  
Jaysal Atara  
Director

## **Kirkstall Estate Management Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the strategic report, the directors' 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

## **Kirkstall Estate Management Limited**

### **Independent Auditor's Report to the Members of Kirkstall Estate Management Limited**

#### **Opinion**

We have audited the financial statements of Kirkstall Estate Management Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty relating to going concern**

We draw attention to note 2 to the financial statements, which indicates the directors' considerations over going concern including the potential impact of the current COVID-19 outbreak. As stated in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **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.

In connection with our audit of the financial statements, our responsibility is to read other information, including the strategic report and the directors' report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **Kirkstall Estate Management Limited**

### **Independent Auditor's Report to the Members of Kirkstall Estate Management Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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.

#### **Matters on which we are required to report by exception**

In the light of our 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 to 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 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.

#### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Kirkstall Estate Management Limited**

### **Independent Auditor's Report to the Members of Kirkstall Estate Management Limited**

#### **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.



Russell Field (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street  
London  
W1U 7EU

Date: 30 September 2020

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



## Kirkstall Estate Management Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Revenue		-	(10,710)
Cost of sales		<u>(5,506)</u>	<u>(8,796)</u>
<b>Gross loss</b>		(5,506)	(19,506)
Administrative expenses		9,722	56,960
Other operating income		<u>782</u>	<u>-</u>
<b>Operating profit</b>		4,998	37,454
Interest receivable and similar income	3	<u>188</u>	<u>85</u>
<b>Profit before tax</b>		5,186	37,539
Taxation	4	<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><u>5,186</u></u>	<u><u>37,539</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 10 to 16 form an integral part of these financial statements.

# Kirkstall Estate Management Limited

(Registration number: 09818570)

## Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
<b>Non current assets</b>			
Intangible assets	5	<u>12,812</u>	<u>18,750</u>
		<u>12,812</u>	<u>18,750</u>
<b>Current assets</b>			
Debtors	6	282	69,247
Cash at bank and in hand	7	<u>55,551</u>	<u>33,204</u>
		55,833	102,451
<b>Creditors: Amounts falling due within one year</b>	8	<u>(15,208)</u>	<u>(72,950)</u>
<b>Net current assets</b>		<u>40,625</u>	<u>29,501</u>
<b>Net assets</b>		<u>53,437</u>	<u>48,251</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account		<u>53,435</u>	<u>48,249</u>
<b>Total equity</b>		<u>53,437</u>	<u>48,251</u>

Approved and authorised by the Board on 29th September 2020 and signed on its behalf by:



Jaysal Atara  
Director

# Kirkstall Estate Management Limited

## Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	2	48,249	48,251
Profit for the year	-	5,186	5,186
Total comprehensive income	-	5,186	5,186
At 31 December 2019	2	53,435	53,437

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	2	10,710	10,712
Profit for the year	-	37,539	37,539
Total comprehensive income	-	37,539	37,539
At 31 December 2018	2	48,249	48,251

## **Kirkstall Estate Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The principal activity of the company is that of an estate management company.

The address of its registered office is:

Sloane Square House

1 Holbein Place

London

SW1W 8NS

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

##### **Summary of disclosure exemptions**

In preparing the company's financial statements, advantage has been taken of the following disclosure exemptions available under FRS 102:

- No Statement of cash flows has been presented as the company's cash flows are included within the consolidated financial statements of Dooba Holdings Limited.
- Disclosures in relation to the company's financial instruments have not been presented as equivalent disclosures have been provided in the consolidated financial statements of Dooba Holdings Limited for the group as a whole.

## Kirkstall Estate Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Going concern

At 31 December 2019, the company had net current assets of £40,625 which primarily arose from cash at bank and in hand. Subsequent to the year end and the spread of Covid-19, the directors have taken actions to mitigate the company's cost base and cash outflows during this period.

Dooba Holdings Limited, the ultimate parent company, has indicated its present intention to provide the necessary level of financial support to enable the company to weather the impact of Covid-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. As such, the directors have adopted the going concern basis of accounting in preparing these first financial statements of the company.

However, in making this assessment the directors are mindful that Dooba Holdings Limited have highlighted in their own group financial statements for the year ended 31 December 2019 the following:

*Given the significant impact of COVID-19 on the macro-economic conditions in which the Group is operating, the directors' have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 December 2019. The Group's going concern assessment is dependent on a number of factors, including performance of rental collections, continued access to funding and the ability to continue to operate the Group's secured debt structure within its financial covenants.*

*The directors' have performed stress testing of the Group's forecasts over the next 12 months, adopting a primary assumption that rental collections will be lower than what would normally be expected. The impact in the reduction in the rental collections have been applied across a variety of performance indicators including free cash flow and debt serviceability covenants.*

#### Severe Downside Scenario - Rent Collections [Less than 10%]

*The going concern assessment is based on the first 12-months of the 5 year rolling cash flow forecast, which is based on a severe but possible downside scenario resulting from the impact of COVID-19, reflecting the following key assumptions:*

- Minimum average rental collection required to meet all contractual obligations over the whole of the going concern assessment period (less than 10%)*
- No new or additional financing in the assessment period, but existing facilities are assumed to remain available*

*Throughout this downside scenario the Group has sufficient liquid cash reserves to meet all committed contractual obligations over the assessment period being 12 months from the date of approval of these financial statements. The rent collection forecasts under the Severe Downside Scenario if they transpired would result in breaches of the Group's interest service covenants and debt service covenants on the October 2020, January, April and July 2021 testing dates, requiring the use of covenant breach cures available under the facility agreements or the negotiation of waivers. Discussions with the financier surrounding potential breaches have established the expectation that if the Group continue to make interest and capital repayments as and when they are due, then no adverse action is expected to be taken.*

*Whilst a breach is possible in the severe downside scenario above, the Group's modelling of less severe scenarios indicated that there is no expected breach of third-party banking serviceability covenants following the refinancing of the portfolio.*

## **Kirkstall Estate Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

*The Group also has obligations under its facility agreement to maintain the debt secured by its investment and trading properties at a level that is below an agreed percentage. A decrease in value arising from the uncertainty surrounding the COVID-19 pandemic is a possibility, but at this stage cannot be quantified or assessed with certainty. The directors' have reviewed the Group's borrowing levels against its investment and trading properties and are satisfied that a drop of 24% and 18% respectively, linked to a severe adverse impact, would be required to cause a breach of the RBS and LBG covenant.*

*Based on the analysis and stress testing undertaken the directors' believe that it remains appropriate to prepare the financial statements on a going concern basis, acknowledging that the circumstances caused by the COVID-19 pandemic represent a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.*

This could impact on Dooba Holdings Limited's ability to provide the necessary level of financial support to the company which represents a material uncertainty which may cast significant doubt over the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

#### **Judgements in applying accounting policies**

In the application of the company's accounting policies, the directors may be required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### **Key sources of estimation uncertainty**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Revenue recognition**

Revenue comprises fees and similar income receivable by the company in respect of its provision of service charge management.

Fees and similar income are recognised as the services are provided.

#### **Intangible assets**

Website development costs for tenants at Kirkstall Forge is capitalised and amortised through the profit and loss over the director's estimate of its useful economic life. The useful economic life has been estimated to be 5 years.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## Kirkstall Estate Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2019

#### Trade debtors

Trade debtors are amounts due from customers for property interests sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### 3 Other interest receivable and similar income

	2019 £	2018 £
Interest income on bank deposits	<u>188</u>	<u>85</u>

### 4 Taxation

The tax on profit before tax for the year varies from the applicable rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>5,186</u>	<u>37,539</u>
Corporation tax at standard rate	985	7,132
Effect of expense not deductible expenses	-	(10,949)
Group relief claimed for nil consideration	<u>(985)</u>	<u>3,817</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

# Kirkstall Estate Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### 5 Intangible assets

	Other intangible assets £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	18,750	18,750
Additions acquired separately	-	-
At 31 December 2019	18,750	18,750
<b>Amortisation</b>		
At 1 January 2019	-	-
Amortisation charge	5,938	5,938
At 31 December 2019	5,938	5,938
<b>Carrying amount</b>		
At 31 December 2019	12,812	12,812
At 31 December 2018	18,750	18,750

### 6 Debtors

	2019 £	2018 £
Trade debtors	280	-
Amounts owed by related parties	2	25,452
Other debtors	-	20,036
Income tax asset	-	23,759
	282	69,247

All amounts fall due within one year.

### 7 Cash and cash equivalents

	2019 £	2018 £
Cash at bank	55,551	33,204



# Kirkstall Estate Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2019

### Creditors

	2019	2018 £
<b>Due within one year</b>		
Trade creditors	77	47
Amounts due to related parties	-	32,083
Social security and other taxes	1,692	-
Other payables	10,882	40,072
Accruals	2,557	748
	<u>15,208</u>	<u>72,950</u>

### 9 Share capital

#### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary 'A' shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 10 Related party transactions

Entities forming part of the group headed by Dooba Holdings Limited, the ultimate parent company of the company, are considered by the members to be related parties.

Transactions with related parties are entered into on a regular basis as a result of normal commercial transactions. The following significant transactions were carried out by the company with related parties during the current period:

	Amounts owed from/(to) related parties as at	
	31 December 2019 £	31 December 2018 £
Kirkstallforge Investment Property I Limited (incorporated in Malta)	(1)	(6,482)
Commercial Estates Group Limited (incorporated in England and Wales)	-	(148)
GMV Twelve Limited (incorporated in Jersey)	<u>(1)</u>	<u>(1)</u>

The entity listed above is a member of the group headed by Dooba Holdings Limited (see note 11).

## **Kirkstall Estate Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2019**

#### **11 Parent and ultimate parent undertaking**

The company's immediate parent undertakings are Kirkstallforge Investment Property I Limited and GMV Twelve Limited, incorporated in Malta and Jersey respectively.

The ultimate parent undertaking is Dooba Holdings Limited, incorporated in Cyprus which is the head of the smallest and largest group to prepare publicly available consolidated financial statements which include the company. Copies of the consolidated financial statements of Dooba Holdings Limited are available from Department of Registrar of Companies, Cyprus.

These financial statements are available upon request from Department of Registrar of Companies, Cyprus

The ultimate controlling party is JTC Trust Company Limited, a trustee of the Dooba Settlement, a life interest trust.

#### **12 Non adjusting events after the financial period**

As further described in note 2, subsequent to the balance sheet date, the spread of COVID-19 has impacted on the ability of the company and group, of which the company is a subsidiary, to collect rental receipts as planned. This has had an adverse impact on the group's profit generation. The impact, if any, on the valuation of the group's investment and trading properties cannot be estimated with any certainty at this time.