

COMPANY REGISTRATION NUMBER: 11240008

UKI Richmond Limited
Financial Statements
31 December 2022



UKI Richmond Limited

Financial Statements

Year ended 31 December 2022

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UKI Richmond Limited

Officers and Professional Advisers

The board of directors

Clive Lewis
Joseph Lewis

Company secretary

Cavendish Square Secretariat

Registered office

Seymour Mews House
26 - 37 Seymour Mews
London
United Kingdom
W1H 6BN

Auditor

BDO LLP
55 Baker Street
London
United Kingdom
W1U 7EU

UKI Richmond Limited

Directors' Report

Year ended 31 December 2022

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

Principal activities

The principal activity of the company during the year was that of property development.

Directors

The directors who served the company during the year were as follows:

Clive Lewis

Joseph Lewis

Michael Rosehill

(Resigned 4 March 2022)

Results and dividends

During the year, the company realised an operating loss of £1,126,624 (2021: £827,498) from total turnover of £1,552,393 (2021: £nil). The company declared total dividends of £nil in the year (2021: £nil).

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 13 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the Financial Statements in accordance with applicable law and regulations.

The Companies Act 2006 (the "Act") requires the directors to prepare financial statements for each financial year. Under the Act 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 the Act 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 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 then apply them consistently;
- make judgments 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.

UKI Richmond Limited

Directors' Report *(continued)*

Year ended 31 December 2022

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

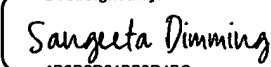
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 21 August 2023 and signed on behalf of the board by:

DocuSigned by:

1B3D2D61BB3D4BC...
Sangeeta Dimming

For and on behalf of Cavendish Square Secretariat - Secretary

UKI Richmond Limited

Independent Auditor's Report to the Members of UKI Richmond Limited

Year ended 31 December 2022

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 31 December 2022 and of its loss 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.

We have audited the financial statements of UKI Richmond Limited ("the Company") for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the 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).

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.

UKI Richmond Limited

Independent Auditor's Report to the Members of UKI Richmond Limited *(continued)*

Year ended 31 December 2022

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements, 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, 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; or
- the Directors were not entitled to 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 Directors' responsibilities statement, 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.

UKI Richmond Limited

Independent Auditor's Report to the Members of UKI Richmond Limited *(continued)*

Year ended 31 December 2022

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.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

UKI Richmond Limited

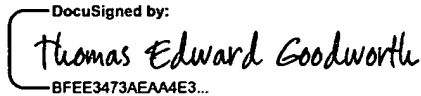
Independent Auditor's Report to the Members of UKI Richmond Limited *(continued)*

Year ended 31 December 2022

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:

BFEE3473AEAA4E3...

Thomas Edward Goodworth (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

22 August 2023

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

UKI Richmond Limited
Statement of Comprehensive Income
Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		1,552,393	–
Cost of sales		<u>(1,552,393)</u>	<u>–</u>
Gross profit		–	–
Administrative expenses		<u>(1,126,624)</u>	<u>(827,498)</u>
Operating loss		<u>(1,126,624)</u>	<u>(827,498)</u>
Other interest receivable and similar income		10,818	1
Interest payable and similar expenses		<u>(1,322,564)</u>	<u>(603,083)</u>
Loss before taxation		<u>(2,438,370)</u>	<u>(1,430,580)</u>
Taxation on loss		<u>(12,043)</u>	<u>19,520</u>
Loss for the financial year and total comprehensive loss		<u><u>(2,450,413)</u></u>	<u><u>(1,411,060)</u></u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

UKI Richmond Limited

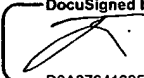
Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Current assets			
Stocks	6	29,995,790	23,540,555
Debtors	7	5,717,326	232,438
Cash at bank and in hand		296,246	677,825
		<u>36,009,362</u>	<u>24,450,818</u>
Creditors: amounts falling due within one year	8	<u>(25,443,410)</u>	<u>(19,005,365)</u>
Net current assets		<u>10,565,952</u>	<u>5,445,453</u>
Total assets less current liabilities		<u>10,565,952</u>	<u>5,445,453</u>
Creditors: amounts falling due after more than one year	9	<u>(16,422,588)</u>	<u>(8,851,676)</u>
Net liabilities		<u>(5,856,636)</u>	<u>(3,406,223)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	<u>(5,856,637)</u>	<u>(3,406,224)</u>
Shareholders' deficit		<u>(5,856,636)</u>	<u>(3,406,223)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

These financial statements were approved by the board of directors and authorised for issue on 21 August 2023, and are signed on behalf of the board by:

DocuSigned by:

 D8A076412851424...
 Joseph Lewis
 Director

JAL

Company registration number: 11240008

The notes on pages 11 to 15 form part of these financial statements.

UKI Richmond Limited

Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2021	1	(1,995,164)	(1,995,163)
Loss for the year	—	(1,411,060)	(1,411,060)
Total comprehensive loss for the year	—	(1,411,060)	(1,411,060)
At 31 December 2021	<u>1</u>	<u>(3,406,224)</u>	<u>(3,406,223)</u>
Loss for the year	—	(2,450,413)	(2,450,413)
Total comprehensive loss for the year	—	(2,450,413)	(2,450,413)
At 31 December 2022	<u>1</u>	<u>(5,856,637)</u>	<u>(5,856,636)</u>

The notes on pages 11 to 15 form part of these financial statements.

UKI Richmond Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Seymour Mews House, 26 - 37 Seymour Mews, London, W1H 6BN, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost convention, as modified by the revaluation of certain assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The day to day working capital requirements of the company are funded by a group undertaking who has confirmed that it will continue to provide such support for the foreseeable future. The directors consider it reasonable to rely on the continuation of this financing and therefore consider it appropriate to prepare the financial statements on a going concern basis.

In making their assessment of the ability of the Company to continue as a going concern, the Directors have considered the global economic climate, energy crisis, the war in Ukraine and the residual impact of Covid-19. Financial forecasts have been produced for the ultimate parent undertaking, LFH International Limited, on a consolidated group basis for a period in excess of 12 months from the date of these financial statements. Based on these forecasts the consolidated group has adequate resources to continue in operational existence for a period in excess of 12 months from the date of approval of these financial statements. The Directors of LFH International Limited concluded that the consolidated group and each individual subsidiary is also a going concern.

The Directors have considered the Company's own financial position and prospects, and also the ultimate parent company's position and assurances, and accordingly have concluded that it is appropriate for the Company to prepare its own financial statements on a going concern basis.

Interest payable

Interest payable and similar charges include interest due on group undertakings and interest on borrowings. Interest payable is recognised in profit or loss as it accrues using the effective interest rate method.

UKI Richmond Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the provision of services in the ordinary course of the company's activities. Revenue is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for the company's activities.

Revenue in respect of development sales to the private market is recognised at the point of legal completion. Revenue in respect of development sales to housing associations and public bodies is recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

Taxation

Taxation comprises the aggregate amount of current and deferred tax recognised in the reporting period and is charged or credited to the income statement, unless it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Stocks

Stocks represent property acquired for development together with work in progress on those properties. These assets are included at lower of cost and net realisable value. Cost for this purpose comprises the purchase cost of land and buildings and development expenditure. Annual reviews are carried out to identify any impairment in the value of the stock and provisions made for any irrecoverable amounts.

UKI Richmond Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Basic financial instruments

The company has elected to apply the provisions of Section 11 of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provision of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Basic financial liabilities, which include trade and other payables and bank loans, are initially measured at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Directors are 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty relate to:

Property development stock

Inventory property is stated at the lower of cost and net realisable value (NRV). NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is based on comparable transactions for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

4. Country of incorporation

UKI Richmond Limited is incorporated in England, United Kingdom.

5. Directors & employees

The average number of employees during the year was nil (2021: nil).

UKI Richmond Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

6. Stocks

	2022 £	2021 £
Development property	<u>29,995,790</u>	<u>23,540,555</u>

7. Debtors

	2022 £	2021 £
Deferred tax asset	17,456	29,499
Prepayments and accrued income	46,992	59,194
Other debtors	<u>5,652,878</u>	<u>143,745</u>
	<u>5,717,326</u>	<u>232,438</u>

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	124,945	450,992
Amounts owed to group undertakings	19,147,524	18,469,494
Accruals and deferred income	693,291	59,879
Other creditors	<u>5,477,650</u>	<u>25,000</u>
	<u>25,443,410</u>	<u>19,005,365</u>

9. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>16,422,588</u>	<u>8,851,676</u>

The bank loan consists of a loan with Investec Bank Plc which is repayable in full in February 2024 and carries an interest rate of 5.1% above SONIA. On 1 March 2023 the loan was repaid in full and refinancing was provided by a wholly owned group company.

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £	2021 £
Included in debtors (note 7)	<u>17,456</u>	<u>29,499</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £	2021 £
Accelerated capital allowances	<u>(17,456)</u>	<u>(29,499)</u>

Deferred taxes at the balance sheet date have been calculated using a tax rate of 25% (2021: 25%).

UKI Richmond Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

11. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

12. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. Events after the reporting period

On 8 June 2023, the main contractor for the Richmond development entered administration. The company is currently in the process of engaging directly with subcontractors to deliver the project. This is a non-adjusting post balance sheet event. At the point of signing the financial statements for the year ended 31 December 2022, the directors have prepared updated costs to complete the development, it is estimated that the project will continue to be profitable and therefore no write down to stock is anticipated in the year ended 2023.

14. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with wholly owned group companies.

15. Ultimate parent company

The company's ultimate parent undertaking is LFH International Limited which is registered in Jersey. The company's ultimate UK parent undertaking is L51N Limited which is registered in England. The company's immediate parent undertaking is Blue Coast Capital Properties Limited which is registered in England.

Blue Coast Capital Properties Limited is the smallest group and L51N Limited is the largest group of which the company is a member and for which publicly available group accounts are prepared. The registered office address of Blue Coast Capital Properties Limited and L51N Limited is Seymour Mews House, 26-37 Seymour Mews, London, W1H 6BN.