

KINGSFORD ESTATES LIMITED

**UNAUDITED FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2017

PAGES FOR FILING WITH REGISTRAR



KINGSFORD ESTATES LIMITED

COMPANY INFORMATION

Directors	Mr J A Watts Mr S B Montgomery (Appointed 7 March 2018)
Secretary	Davidson Chalmers (Secretarial Services) Limited
Company number	SC230124
Registered office	14 Albany Street EDINBURGH EH1 3QB
Accountants	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

KINGSFORD ESTATES LIMITED

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KINGSFORD ESTATES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	1,383,681		1,357,277	
Investments	4	342,094		305,489	
		<u>1,725,775</u>		<u>1,662,766</u>	
Current assets					
Stocks		903,691		907,087	
Debtors	5	289,085		331,018	
Cash at bank and in hand		102,734		6,947	
		<u>1,295,510</u>		<u>1,245,052</u>	
Creditors: amounts falling due within one year	6	<u>(1,876,475)</u>		<u>(1,845,170)</u>	
Net current liabilities			(580,965)		(600,118)
Total assets less current liabilities			<u>1,144,810</u>		<u>1,062,648</u>
Creditors: amounts falling due after more than one year	7		(267,907)		(267,907)
Provisions for liabilities			(62,136)		(57,664)
Net assets			<u>814,767</u>		<u>737,077</u>
Capital and reserves					
Called up share capital	8		1		1
Revaluation reserve		431,288		385,760	
Profit and loss reserves		383,478		351,316	
Total equity			<u>814,767</u>		<u>737,077</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

KINGSFORD ESTATES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 29 June 2018 and are signed on its behalf by:


.....
Mr J A Watts
Director

Company Registration No. SC230124

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Kingsford Estates Limited is a private company limited by shares incorporated in Scotland. The registered office is 14 Albany Street, EDINBURGH, EH1 3QB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2017 are the first financial statements of Kingsford Estates Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover represents amounts receivable from property sales, serviced office and apartment provision and property and project management services net of VAT.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Heritable property	Not depreciated, see below
Computer equipment	33.33% straight line

The estimated residual value of the heritable property is considered to be greater than its cost. As a result, there is no charge for depreciation in the current accounting period.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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 provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2016 - 11).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 October 2016	1,350,000	35,980	1,385,980
Additions	-	4,846	4,846
Revaluation	25,000	-	25,000
At 30 September 2017	1,375,000	40,826	1,415,826
Depreciation and impairment			
At 1 October 2016	-	28,703	28,703
Depreciation charged in the year	-	3,442	3,442
At 30 September 2017	-	32,145	32,145
Carrying amount			
At 30 September 2017	1,375,000	8,681	1,383,681
At 30 September 2016	1,350,000	7,277	1,357,277

At the balance sheet date the heritable property was revalued by the director on an open market value basis.

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	1,144,886	1,144,886
Accumulated depreciation	-	-
Carrying value	<u>1,144,886</u>	<u>1,144,886</u>

4 Fixed asset investments

	2017 £	2016 £
Investments	<u>342,094</u>	<u>305,489</u>

Movements in fixed asset investments

	Share in partnership £	Other investments other than loans £	Total £
Cost or valuation			
At 1 October 2016	277,893	27,596	305,489
Additions	-	12,241	12,241
Valuation changes	25,000	(282)	24,718
Share of profit	49,571	-	49,571
Drawings	(38,300)	-	(38,300)
Disposals	-	(11,625)	(11,625)
At 30 September 2017	<u>314,164</u>	<u>27,930</u>	<u>342,094</u>
Carrying amount			
At 30 September 2017	<u>314,164</u>	<u>27,930</u>	<u>342,094</u>
At 30 September 2016	<u>277,893</u>	<u>27,596</u>	<u>305,489</u>

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

5 Debtors		
	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	40,853	74,329
Other debtors	248,232	256,689
	<u>289,085</u>	<u>331,018</u>
6 Creditors: amounts falling due within one year		
	2017	2016
	£	£
Bank loans and overdrafts	1,000,000	1,000,000
Trade creditors	10,184	23,826
Corporation tax	27,511	2,069
Other taxation and social security	39,029	19,311
Other creditors	799,751	799,964
	<u>1,876,475</u>	<u>1,845,170</u>
Bank loans of £1,000,000 (2016: £1,000,000) are secured over the assets.		
7 Creditors: amounts falling due after more than one year		
	2017	2016
	£	£
Other creditors	<u>267,907</u>	<u>267,907</u>
8 Called up share capital		
	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Related party transactions

During the period ended 30 September 2017, expenses were paid for and transfers took place between Kingsford Estates Limited and 26 Dublin Street Limited, a company under common control. At the period end, 26 Dublin Street Limited owed Kingsford Estates Limited the sum of £217,720 (2016: £217,563). During the period Kingsford Estates Limited received project and property management fees of £14,730 (2016: £16,235) from 26 Dublin Street Limited.

During the period, expenses were paid for and transfers took place between Kingsford Estates Limited and Kingsford Developments Limited, a company under common control. At the period end, Kingsford Estates Limited was owed £6,600 by Kingsford Developments Limited (2016: £42,484). In the period Kingsford Estates Limited received £252,286 (2016: £162,177) in respects of rents and services charged to Kingsford Developments Limited.

During the period, Kingsford Estates Limited received £38,300 (2016: £42,500) from Walker Street LLP, a LLP in which Kingsford Estates Limited holds a 50% interest. This related to a proportion of the profit share. During the period, Kingsford Estates Limited received £22,582 (2016: £21,233) which related to property management fees and £3,190 (2016: £540) which related to letting fees. At the period end Walker Street owed Kingsford Estates £12,033 (2016: £13,041).

During the period under review, Alex Watts, director of the company advanced monies to the company. The amount due from the company to Alex Watts at 30 September 2017 was £3,824 (2016: £18,021).

During the period, expenses were paid for and transfers took place between Kingsford Estates Limited and Abbeymount Estates Limited, a company in which the director, Alex Watts, has an interest. At the period end Kingsford Estates was owed £18,000 by Abbeymount Estates Limited (2016: £18,000).

KINGSFORD ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

10 Reconciliations on adoption of FRS 102

Reconciliation of equity

		1 October 2015 £	30 September 2016 £
	Notes		
Equity as reported under previous UK GAAP		515,849	794,741
Adjustments arising from transition to FRS 102:			
Deferred tax adjustment on properties	1	(52,180)	(57,664)
Equity reported under FRS 102		<u>463,669</u>	<u>737,077</u>

Reconciliation of profit for the financial period

			2016 £
	Notes		
Total gains as reported under previous UK GAAP			278,892
Adjustments arising from transition to FRS 102:			
Deferred tax adjustment on properties	1		(5,484)
Profit reported under FRS 102			<u>273,408</u>

Notes to reconciliations on adoption of FRS 102

Deferred tax adjustment on properties

Under FRS102 the company must include a provision for deferred tax on the unrealised gains in respect of its revalued properties.