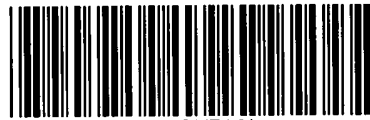


KINGWARD INVESTMENTS LIMITED

Directors' report and financial statements

For the Year Ended 30 June 2017

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COMPANIES HOUSE

KINGWARD INVESTMENTS LIMITED

Company Information

Directors	D Tannen M Tannen M I Tannen D A Tannen J M Miller
Company secretary	J M Miller
Registered number	00503321
Registered office	Sutherland House 70-78 West Hendon Broadway London NW9 7BT
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

KINGWARD INVESTMENTS LIMITED

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KINGWARD INVESTMENTS LIMITED

Directors' report For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activity

The principal activity of the company is that of property investment.

Results and dividends

The profit for the year, after taxation, amounted to £192,176 (2016 - £143,256).

The directors do not recommend the payment of a dividend (2016 - £Nil).

Directors

The directors who served during the year were:

D Tannen
M Tannen
M I Tannen
D A Tannen
J M Miller

Directors' responsibilities statement

The directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

KINGWARD INVESTMENTS LIMITED

**Directors' report (continued)
For the Year Ended 30 June 2017**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

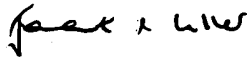
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J M Miller
Secretary

Date: **29 MAR 2018**

KINGWARD INVESTMENTS LIMITED

Independent Auditor's report to Kingward Investments Limited

Qualified opinion

We have audited the financial statements of Kingward Investments Limited ("the Company") for the year ended 30 June 2017 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 qualified opinion on financial statements

As explained in note 2.3, investment properties have been included in the financial statements at cost less any provision for impairment rather than fair value as required by FRS 102 Section 16 'Investment Property'. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance with accounting standards in both the current and preceding periods.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 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 qualified 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 qualified opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KINGWARD INVESTMENTS LIMITED

Independent Auditor's report to Kingward Investments Limited (continued)

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.

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 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 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. In respect of the matter described in the Basis for qualified opinion section above, we are unable to determine if the other information is materially misstated for the same reasons with respect to this matter.

Opinions on other matters 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, for the reasons described in the Basis for qualified opinion section above, we are unable to determine if there are material misstatements in the Director's 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 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.

KINGWARD INVESTMENTS LIMITED

Independent Auditor's report to Kingward Investments Limited (continued)

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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
Date:

29 MAR 2018

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

KINGWARD INVESTMENTS LIMITED

Statement of comprehensive income
For the Year Ended 30 June 2017

	Note	2017 £	2016 £
Rental income	4	342,773	342,583
Property expenses		1,069	(11,385)
Gross profit		343,842	331,198
Administrative expenses		(73,064)	(73,075)
Operating profit	5	270,778	258,123
Interest payable and similar charges	6	(78,602)	(114,867)
Profit before tax		192,176	143,256
Tax on profit	7	-	-
Profit for the financial year		192,176	143,256
Other comprehensive income for the year		-	-
Total comprehensive income for the year		192,176	143,256

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 9 to 14 form part of these financial statements.

KINGWARD INVESTMENTS LIMITED

Registered number:00503321

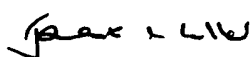
Statement of financial position

As at 30 June 2017

	Note	2017 £	2016 £
Fixed assets			
Investment property	8	1,320,823	1,320,823
		<u>1,320,823</u>	<u>1,320,823</u>
Current assets			
Debtors: amounts falling due within one year	9	1,311,697	1,298,457
Cash at bank and in hand	10	459,106	434,957
		<u>1,770,803</u>	<u>1,733,414</u>
Creditors: amounts falling due within one year	11	(1,985,965)	(2,140,752)
Net current liabilities		<u>(215,162)</u>	<u>(407,338)</u>
Total assets less current liabilities		<u>1,105,661</u>	<u>913,485</u>
Net assets		<u><u>1,105,661</u></u>	<u><u>913,485</u></u>
Capital and reserves			
Called up share capital	12	2	2
Other reserves		35,921	35,921
Profit and loss account		1,069,738	877,562
		<u>1,105,661</u>	<u>913,485</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J M Miller
Director

29 MAR 2018

Date:

The notes on pages 9 to 14 form part of these financial statements.

KINGWARD INVESTMENTS LIMITED

**Statement of changes in equity
For the Year Ended 30 June 2017**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	2	35,921	877,562	913,485
Comprehensive income for the year				
Profit for the year	-	-	192,176	192,176
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	192,176	192,176
At 30 June 2017	2	35,921	1,069,738	1,105,661

**Statement of changes in equity
For the Year Ended 30 June 2016**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	2	35,921	734,306	770,229
Comprehensive income for the year				
Profit for the year	-	-	143,256	143,256
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	143,256	143,256
At 30 June 2016	2	35,921	877,562	913,485

The notes on pages 9 to 14 form part of these financial statements.

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements For the Year Ended 30 June 2017

1. General information

Kingward Investments Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page. The principal activity of the company is that of property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Tannen Group Limited as at 30 June 2017 and these financial statements may be obtained from Companies House.

2.3 Investment property

Investment properties are stated in the statement of financial position at cost less any provision for impairment. This treatment is not in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which requires such properties to be stated at their fair value.

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.6 Revenue

Revenue represents gross rental income from the letting of property and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Rent reviews are only recognised as income once the review has been settled, agreed and concluded.

Lease incentives are recognised over the period of the lease. However, the Company took advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.7 Going concern

The directors have prepared the financial statements on a going concern basis notwithstanding the fact that the company has net current liabilities.

The company has received a letter of financial support from The Tannen Group Limited, its ultimate parent company, confirming that it will provide financial support to the company for the foreseeable future to enable it to meet its obligations and liabilities as they fall due. On the basis of the above, the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.

2.8 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Reserves

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued
- Profit and Loss Account represents cumulative profits or losses, net of dividends and other adjustments.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made judgements to determine whether there are indicators of impairment of the company's investment property. Factors taken into consideration include the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The directors' emoluments are paid by another group company and an amount of £31,000 (2016 - £26,000) has been recharged to this company for the provision of their services. Auditor's remuneration is also paid by another group company and disclosed in its financial statements.

The company has no employees other than directors, who did not receive any remuneration (2016 - £NIL).

KINGWARD INVESTMENTS LIMITED

**Notes to the financial statements
For the Year Ended 30 June 2017**

6. Interest payable and similar charges

	2017 £	2016 £
Other loan interest payable	78,602	76,536
Other interest payable	-	38,331
	<u>78,602</u>	<u>114,867</u>

7. Taxation

	2017 £	2016 £
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>192,176</u>	<u>143,256</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	38,435	28,651
Effects of:		
Group relief	<u>(38,435)</u>	<u>(28,651)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

8. Investment property

	Freehold investment property £
Cost	
At 1 July 2016	1,320,823
At 30 June 2017	<u>1,320,823</u>

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements For the Year Ended 30 June 2017

9. Debtors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed by group undertakings	1,283,367	1,264,063
Prepayments and accrued income	28,330	34,394
	<u>1,311,697</u>	<u>1,298,457</u>

Amounts owed by group undertakings are repayable on demand.

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	459,106	434,956
	<u>459,106</u>	<u>434,956</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	(105)	9,973
Amounts owed to group undertakings	1,886,599	2,030,890
Taxation and social security	16,221	16,639
Accruals and deferred income	83,250	83,250
	<u>1,985,965</u>	<u>2,140,752</u>

Amounts owed to group undertakings are repayable on demand.

12. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

KINGWARD INVESTMENTS LIMITED

Notes to the financial statements For the Year Ended 30 June 2017

13. Commitments under operating leases

The company leases out commercial investment properties under non-cancellable operating leases for the following future minimum lease receivables. There are no contingent rents.

	2017 £	2016 £
Not later than 1 year	333,000	333,000
Later than 1 year and not later than 5 years	1,332,000	1,332,000
Later than 5 years	910,504	1,243,504
	<u>2,575,504</u>	<u>2,908,504</u>

14. Related party transactions

The company has taken advantage of paragraph 33.1A of FRS102 and has not disclosed any transactions that have taken place within other group entities.

15. Ultimate parent undertaking and controlling party

The company's ultimate parent company is The Tannen Group Limited, Sutherland House, 70-78 West Hendon Broadway, London, NW9 7BT, which is registered in England and Wales and controlled by the Tannen family.