

Report of the Director and  
Consolidated Financial Statements  
for the Year Ended 30 June 2011  
for  
Kexgill Limited

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**Kexgill Limited (Registered number: 01391421)**

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**for the Year Ended 30 June 2011**

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**Kexgill Limited**

**Company Information**  
**for the Year Ended 30 June 2011**

**DIRECTOR:** Dr M H S Lee

**SECRETARY:** Mr M Grassam

**REGISTERED OFFICE:** 103 Cottingham Road  
Hull  
East Yorkshire  
HU5 2DG

**REGISTERED NUMBER:** 01391421 (England and Wales)

**SENIOR STATUTORY  
AUDITOR:** Mr A B Rowland FCA

**AUDITORS:** Norrie Gibson & Co Limited  
Registered Auditors,  
Chartered Accountants,  
Grosvenor House,  
100-102, Beverley Road,  
Hull  
HU3 1YA

**Report of the Director**  
**for the Year Ended 30 June 2011**

The director presents his report with the financial statements of the company and the group for the year ended 30 June 2011

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of property developing and letting

**REVIEW OF BUSINESS**

The results for the year are set out 5 The director considers the profit achieved on ordinary activities before taxation to be particularly satisfactory given the difficult economic climate and the increase in the euro Adequate finance has continued to be obtained to take advantage of business opportunities and the director considers the state of affairs to be satisfactory

The governments decision to more than double the level of student tuition fees by 2012 and the likely effects of the public sector cuts, is difficult to predict with any certainty, the impact on our business but the director is of the opinion that it will be marginal and that it will be purpose built student halls with much higher rent levels that are more likely to be affected The level of profitability which will be enhanced by the increase in lettings and increased rent levels for the current year is regarded as highly satisfactory

The group is reliant on its current facilities from its lenders, but is not dependent on any new facilities or loans in its ordinary activities The group has tightened up control on its expenditure and collection of trade debtors It has negotiated favourable terms with its suppliers The groups lenders are currently satisfied with the groups financial performance and the director does not think there is any risk of facilities being withdrawn

**DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2011

**DIRECTOR**

Dr M H S Lee held office during the whole of the period from 1 July 2010 to the date of this report

**FINANCIAL INSTRUMENTS**

The group seeks to operate within its agreed facilities with its lenders The group is exposed to interest rate risk and exchange rate fluctuations risks on its borrowings from the banks Based on the level of borrowings at the year end, an increase of 10 cents on the euro rate would decrease the companys borrowings by £1 36m It is relevant to point out however that the euro loans, taken out by the UK companies, are not due for renewal until 31/01/2014 Conversely any decrease in the euro rate would see the groups borrowings increase as has happened significantly this year The majority of the groups bank loan borrowings are on variable rates

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

**Kexgill Limited (Registered number: 01391421)**

**Report of the Director**  
**for the Year Ended 30 June 2011**

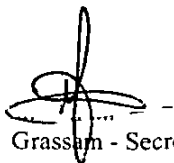
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information

**AUDITORS**

The auditors, Norrie Gibson & Co Limited are deemed to be reappointed under s487 (2) of the Companies Act 2006

**ON BEHALF OF THE BOARD.**



Mr M Grassam - Secretary

Date 16-1-2012.

**Report of the Independent Auditors to the Members of**  
**Kexgill Limited**

We have audited the financial statements of Kexgill Limited for the year ended 30 June 2011 on pages five to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2011 and of the group's 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.

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

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Mr A B Rowland FCA (Senior Statutory Auditor)  
for and on behalf of Norrie Gibson & Co Limited  
Registered Auditors,  
Chartered Accountants,  
Grosvenor House,  
100-102, Beverley Road,  
Hull  
HU3 1YA

16 January 2012

**Kexgill Limited (Registered number: 01391421)**

**Consolidated Profit and Loss Account**  
**for the Year Ended 30 June 2011**

|                                                             | Notes | 2011<br>£ | £          | 2010<br>£ | £         |
|-------------------------------------------------------------|-------|-----------|------------|-----------|-----------|
| <b>TURNOVER</b>                                             | 2     |           | 10,153,579 |           | 8,797,640 |
| Cost of sales                                               |       |           | 14,825     |           | 1,143,546 |
| <b>GROSS PROFIT</b>                                         |       |           | 10,138,754 |           | 7,654,094 |
| Administrative expenses                                     |       |           | 6,426,421  |           | 4,676,911 |
|                                                             |       |           | 3,712,333  |           | 2,977,183 |
| Other operating income                                      |       |           | 116,789    |           | 416,788   |
| <b>OPERATING PROFIT</b>                                     | 4     |           | 3,829,122  |           | 3,393,971 |
| Income from interest in associated undertakings             |       | 5,529     |            | 7,548     |           |
| Income from fixed asset investments                         |       | 16,063    |            | 5,171     |           |
| Interest receivable and similar income                      |       | 5,064     |            | 12,328    |           |
|                                                             |       |           | 26,656     |           | 25,047    |
|                                                             |       |           | 3,855,778  |           | 3,419,018 |
| Interest payable and similar charges                        | 5     |           | 2,460,787  |           | 2,391,394 |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>        |       |           | 1,394,991  |           | 1,027,624 |
| Tax on profit on ordinary activities                        | 6     |           | (19,612)   |           | 8,441     |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>         |       |           | 1,414,603  |           | 1,019,183 |
| Minority interest - equity                                  |       |           | 3,535      |           | 5,712     |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b> |       |           | 1,411,068  |           | 1,013,471 |

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

**Kexgill Limited (Registered number. 01391421)**

**Consolidated Statement of Total Recognised Gains and Losses**  
**for the Year Ended 30 June 2011**

|                                          | <b>2011</b>      | <b>2010</b>      |
|------------------------------------------|------------------|------------------|
|                                          | <b>£</b>         | <b>£</b>         |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>     | <b>1,411,068</b> | <b>1,013,471</b> |
| Unrealised surplus on revaluation        | <b>(596,136)</b> | <b>265,623</b>   |
| <b>TOTAL RECOGNISED GAINS AND LOSSES</b> |                  |                  |
| <b>RELATING TO THE YEAR</b>              | <b>814,932</b>   | <b>1,279,094</b> |

The notes form part of these financial statements

**Kexgill Limited (Registered number: 01391421)**

**Consolidated Balance Sheet**  
**30 June 2011**

|                                              | Notes | 2011<br>£                | 2010<br>£                |
|----------------------------------------------|-------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>                          |       |                          |                          |
| Intangible assets                            | 8     | 48,744                   | 51,600                   |
| Tangible assets                              | 9     | 1,028,273                | 666,043                  |
| Investments                                  | 10    | 923,419                  | 851,101                  |
| Investment property                          | 11    | 98,062,491               | 94,164,772               |
|                                              |       | <u>100,062,927</u>       | <u>95,733,516</u>        |
| <b>CURRENT ASSETS</b>                        |       |                          |                          |
| Stocks                                       | 12    | 1,419,971                | 1,405,724                |
| Debtors                                      | 13    | 1,036,260                | 1,115,404                |
| Cash at bank and in hand                     |       | 1,665,233                | 1,303,288                |
|                                              |       | <u>4,121,464</u>         | <u>3,824,416</u>         |
| <b>CREDITORS</b>                             |       |                          |                          |
| Amounts falling due within one year          | 14    | 4,477,649                | 1,861,304                |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>      |       | <u>(356,185)</u>         | <u>1,963,112</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>99,706,742</u>        | <u>97,696,628</u>        |
| <b>CREDITORS</b>                             |       |                          |                          |
| Amounts falling due after more than one year | 15    | (71,752,066)             | (70,881,918)             |
| <b>MINORITY INTERESTS</b>                    | 19    | <u>(20,035)</u>          | <u>(16,500)</u>          |
| <b>NET ASSETS</b>                            |       | <u><u>27,934,641</u></u> | <u><u>26,798,210</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                          |                          |
| Called up share capital                      | 20    | 11,772                   | 11,772                   |
| Share premium                                | 21    | 1,310,406                | 1,310,406                |
| Revaluation reserve                          | 21    | 25,174,617               | 25,783,753               |
| Capital reserves                             | 21    | 294,648                  | 62,158                   |
| Foreign exchange reserves                    | 21    | 69,433                   | 20,087                   |
| Profit and loss account                      | 21    | 1,073,765                | (389,966)                |
| <b>SHAREHOLDERS' FUNDS</b>                   | 27    | <u><u>27,934,641</u></u> | <u><u>26,798,210</u></u> |

The financial statements were approved by the director on *16<sup>th</sup> January 2012* and were signed by

*M H S Lee*

Dr M H S Lee - Director

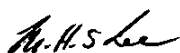
The notes form part of these financial statements

**Kexgill Limited (Registered number. 01391421)**

**Company Balance Sheet**  
**30 June 2011**

|                                              | Notes | 2011<br>£         | 2010<br>£         |
|----------------------------------------------|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                          |       |                   |                   |
| Intangible assets                            | 8     | -                 | -                 |
| Tangible assets                              | 9     | 216,125           | 168,841           |
| Investments                                  | 10    | 2,568,211         | 2,501,422         |
| Investment property                          | 11    | 18,093,000        | 18,093,000        |
|                                              |       | <u>20,877,336</u> | <u>20,763,263</u> |
| <b>CURRENT ASSETS</b>                        |       |                   |                   |
| Debtors                                      | 13    | 14,677,656        | 13,347,581        |
| Cash at bank and in hand                     |       | 900,991           | 776,725           |
|                                              |       | <u>15,578,647</u> | <u>14,124,306</u> |
| <b>CREDITORS</b>                             |       |                   |                   |
| Amounts falling due within one year          | 14    | 337,638           | 318,431           |
| <b>NET CURRENT ASSETS</b>                    |       | <u>15,241,009</u> | <u>13,805,875</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>36,118,345</u> | <u>34,569,138</u> |
| <b>CREDITORS</b>                             |       |                   |                   |
| Amounts falling due after more than one year | 15    | 24,725,677        | 23,648,863        |
| <b>NET ASSETS</b>                            |       | <u>11,392,668</u> | <u>10,920,275</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                   |
| Called up share capital                      | 20    | 11,772            | 11,772            |
| Revaluation reserve                          | 21    | 9,706,211         | 9,706,211         |
| Profit and loss account                      | 21    | 1,674,685         | 1,202,292         |
| <b>SHAREHOLDERS' FUNDS</b>                   | 27    | <u>11,392,668</u> | <u>10,920,275</u> |

The financial statements were approved by the director on 13 January 2012 and were signed by



Dr M H S Lee - Director

The notes form part of these financial statements

**Kexgill Limited (Registered number: 01391421)**

**Consolidated Cash Flow Statement**  
**for the Year Ended 30 June 2011**

|                                                         |       | 2011        |              | 2010      |              |
|---------------------------------------------------------|-------|-------------|--------------|-----------|--------------|
|                                                         | Notes | £           | £            | £         | £            |
| Net cash inflow from operating activities               | 1     |             | 5,094,907    |           | 5,271,610    |
| Returns on investments and servicing of finance         | 2     |             | (2,434,131)  |           | (2,366,347)  |
| Taxation                                                |       |             | 23,373       |           | 7,102        |
| Capital expenditure and financial investment            | 2     |             | (5,142,525)  |           | (811,606)    |
|                                                         |       |             | (2,458,376)  |           | 2,100,759    |
| Financing                                               | 2     |             | 2,820,321    |           | (1,556,975)  |
| Increase in cash in the period                          |       |             | 361,945      |           | 543,784      |
| <hr/>                                                   |       |             |              |           |              |
| Reconciliation of net cash flow to movement in net debt | 3     |             |              |           |              |
| Increase in cash in the period                          |       | 361,945     |              | 543,784   |              |
| Cash (inflow)/outflow from (increase)/decrease in debt  |       | (3,271,234) |              | 1,523,669 |              |
| Change in net debt resulting from cash flows            |       |             | (2,909,289)  |           | 2,067,453    |
| Movement in net debt in the period                      |       |             | (2,909,289)  |           | 2,067,453    |
| Net debt at 1 July                                      |       |             | (69,316,673) |           | (71,384,126) |
| Net debt at 30 June                                     |       |             | (72,225,962) |           | (69,316,673) |

The notes form part of these financial statements

**Kexgill Limited (Registered number: 01391421)**

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 30 June 2011**

**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|                                                  | <b>2011</b>      | <b>2010</b>      |
|--------------------------------------------------|------------------|------------------|
|                                                  | <b>£</b>         | <b>£</b>         |
| Operating profit                                 | 3,829,122        | 3,393,971        |
| Depreciation charges                             | 294,685          | 231,870          |
| Profit on disposal of fixed assets               | (10,918)         | (1,435)          |
| Deficit on exchange rate loans                   | 996,080          | (421,831)        |
| Minority interest                                | 3,535            | (5,712)          |
| (Increase)/Decrease in stocks                    | (14,247)         | 1,094,562        |
| Increase in debtors                              | (194,608)        | (92,727)         |
| Increase in creditors                            | 191,258          | 1,072,912        |
| <b>Net cash inflow from operating activities</b> | <b>5,094,907</b> | <b>5,271,610</b> |

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

|                                                                             | <b>2011</b>        | <b>2010</b>        |
|-----------------------------------------------------------------------------|--------------------|--------------------|
|                                                                             | <b>£</b>           | <b>£</b>           |
| <b>Returns on investments and servicing of finance</b>                      |                    |                    |
| Interest received                                                           | 5,064              | 12,328             |
| Interest paid                                                               | (2,460,787)        | (2,391,394)        |
| Dividends received                                                          | 16,063             | 5,171              |
| Share of profit / (loss) in associate                                       | 5,529              | 7,548              |
| <b>Net cash outflow for returns on investments and servicing of finance</b> | <b>(2,434,131)</b> | <b>(2,366,347)</b> |
| <b>Capital expenditure and financial investment</b>                         |                    |                    |
| Purchase of tangible fixed assets                                           | (658,946)          | (271,330)          |
| Purchase of fixed asset investments                                         | (5,529)            | (7,548)            |
| Purchase of investment property                                             | (1,794,201)        | (1,870,236)        |
| Sale of tangible fixed assets                                               | 4,602              | 2,400              |
| Sale of investment property                                                 | 56,331             | -                  |
| Investment property euro increase                                           | (2,744,721)        | 1,334,999          |
| Tangible asset euro increase                                                | (61)               | 109                |
| <b>Net cash outflow for capital expenditure and financial investment</b>    | <b>(5,142,525)</b> | <b>(811,606)</b>   |
| <b>Financing</b>                                                            |                    |                    |
| New loans in year                                                           | 585,000            | 667,000            |
| Loan repayments in year                                                     | (485,421)          | (566,130)          |
| Loan exchange rate movements                                                | 2,108,786          | (1,202,708)        |
| Amount introduced by directors                                              | 425,229            | -                  |
| Amount withdrawn by directors                                               | (131,237)          | (324,596)          |
| Foreign exchange reserve                                                    | 49,346             | 16,220             |
| Capital reserves                                                            | 232,490            | (135,720)          |
| Profit and loss exchange reserves                                           | 39,663             | (17,123)           |
| Minority interest                                                           | (3,535)            | 6,082              |
| <b>Net cash inflow/(outflow) from financing</b>                             | <b>2,820,321</b>   | <b>(1,556,975)</b> |

The notes form part of these financial statements

**Kexgill Limited (Registered number 01391421)**

**Notes to the Consolidated Cash Flow Statement**  
**for the Year Ended 30 June 2011**

**3 ANALYSIS OF CHANGES IN NET DEBT**

|                                      | At 1.7.10<br>£      | Cash flow<br>£     | At<br>30.6.11<br>£  |
|--------------------------------------|---------------------|--------------------|---------------------|
| Net cash                             |                     |                    |                     |
| Cash at bank and in hand             | 1,303,288           | 361,945            | 1,665,233           |
|                                      | <u>1,303,288</u>    | <u>361,945</u>     | <u>1,665,233</u>    |
| Debt                                 |                     |                    |                     |
| Debts falling due<br>within one year | (728,043)           | (2,401,086)        | (3,129,129)         |
| Debts falling due<br>after one year  | (69,891,918)        | (870,148)          | (70,762,066)        |
|                                      | <u>(70,619,961)</u> | <u>(3,271,234)</u> | <u>(73,891,195)</u> |
| Total                                | <u>(69,316,673)</u> | <u>(2,909,289)</u> | <u>(72,225,962)</u> |

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 30 June 2011**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

**Turnover**

Turnover represents invoiced rents for the year

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of twenty years

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

|                             |                                                                              |
|-----------------------------|------------------------------------------------------------------------------|
| Leasehold property          | - Over the period remaining on the lease and in accordance with the property |
| Improvements to property    | - Over the period remaining on the lease                                     |
| Plant & equipment           | - 20% on reducing balance                                                    |
| Fixtures & fittings         | - 25% on reducing balance                                                    |
| Motor vehicles              | - 25% on cost                                                                |
| Office & computer equipment | - 20% on cost                                                                |

**Investment properties**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

The investment properties are revalued and not depreciated in accordance with SSAP 19. This is a departure from the companies act requirements in order to give a true and fair view.

The investment properties held within Kexgill Immobilien GmbH and Kexgill Deutschland GmbH are included at the adjusted exchange rate cost at the year end of £27,997,645. These properties have not been subjected to any revaluations in accordance with German accounting practices.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. In accordance with FRS 19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

**Kexgill Limited (Registered number 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**2 TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group

An analysis of turnover by geographical market is given below

|                | 2011<br>£         | 2010<br>£        |
|----------------|-------------------|------------------|
| United Kingdom | 7,700,421         | 6,461,576        |
| Europe         | 2,453,158         | 2,336,064        |
|                | <u>10,153,579</u> | <u>8,797,640</u> |

**3 STAFF COSTS**

|                       | 2011<br>£        | 2010<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,185,097        | 1,086,940        |
| Social security costs | 98,891           | 90,383           |
| Other pension costs   | 3,664            | 3,591            |
|                       | <u>1,287,652</u> | <u>1,180,914</u> |

The average monthly number of employees during the year was as follows

|                           | 2011      | 2010      |
|---------------------------|-----------|-----------|
| Office and administration | 49        | 45        |
| General                   | 49        | 30        |
|                           | <u>98</u> | <u>75</u> |

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

|                                           | 2011<br>£      | 2010<br>£        |
|-------------------------------------------|----------------|------------------|
| Depreciation - owned assets               | 291,829        | 229,014          |
| Profit on disposal of fixed assets        | (10,918)       | (1,435)          |
| Goodwill amortisation                     | 2,856          | 2,856            |
| Auditors' remuneration                    | 45,875         | 37,546           |
| Auditors' remuneration for non audit work | 3,135          | 3,160            |
| Foreign exchange differences              | <u>996,080</u> | <u>(415,009)</u> |
|                                           |                |                  |
| Director's remuneration                   | <u>5,853</u>   | <u>5,395</u>     |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

|                             | <b>2011</b>             | <b>2010</b>             |
|-----------------------------|-------------------------|-------------------------|
|                             | <b>£</b>                | <b>£</b>                |
| Bank interest               | <b>19</b>               | <b>65</b>               |
| Bank loan interest          | <b>2,350,662</b>        | <b>2,317,344</b>        |
| Redemption & financing fees | <b>109,806</b>          | <b>73,985</b>           |
| Interest on tax paid late   | <b>300</b>              | <b>-</b>                |
|                             | <b><u>2,460,787</u></b> | <b><u>2,391,394</u></b> |

**6 TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the year was as follows

|                                      | <b>2011</b>            | <b>2010</b>         |
|--------------------------------------|------------------------|---------------------|
|                                      | <b>£</b>               | <b>£</b>            |
| Current tax                          |                        |                     |
| German corporation tax               | <b>1,724</b>           | <b>8,441</b>        |
| Overprovided in prior years          | <b>(21,336)</b>        | <b>-</b>            |
|                                      | <b><u>(19,612)</u></b> | <b><u>8,441</u></b> |
| Tax on profit on ordinary activities | <b><u>(19,612)</u></b> | <b><u>8,441</u></b> |

**Factors affecting the tax (credit)/charge**

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

|                                                                                                                | <b>2011</b>             | <b>2010</b>             |
|----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                | <b>£</b>                | <b>£</b>                |
| Profit on ordinary activities before tax                                                                       | <b><u>1,394,991</u></b> | <b><u>1,027,624</u></b> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 - 28%) | <b>362,698</b>          | <b>287,735</b>          |
| Effects of Unrelieved tax losses                                                                               | <b><u>(382,310)</u></b> | <b><u>(279,294)</u></b> |
| Current tax (credit)/charge                                                                                    | <b><u>(19,612)</u></b>  | <b><u>8,441</u></b>     |

Corporation tax has been charged at the prevailing rate in Germany at 16%

**7 PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £472,393 (2010 - £221,430)

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**8 INTANGIBLE FIXED ASSETS**

**Group**

|                       | <b>Goodwill<br/>£</b> |
|-----------------------|-----------------------|
| <b>COST</b>           |                       |
| At 1 July 2010        |                       |
| and 30 June 2011      | <u>57,123</u>         |
| <b>AMORTISATION</b>   |                       |
| At 1 July 2010        | 5,523                 |
| Amortisation for year | <u>2,856</u>          |
| At 30 June 2011       | <u>8,379</u>          |
| <b>NET BOOK VALUE</b> |                       |
| At 30 June 2011       | <u>48,744</u>         |
| At 30 June 2010       | <u>51,600</u>         |

**9 TANGIBLE FIXED ASSETS**

**Group**

|                        | <b>Leasehold<br/>property<br/>£</b> | <b>Improvements<br/>to<br/>property<br/>£</b> | <b>Plant &amp;<br/>equipment<br/>£</b> |
|------------------------|-------------------------------------|-----------------------------------------------|----------------------------------------|
| <b>COST</b>            |                                     |                                               |                                        |
| At 1 July 2010         | -                                   | 2,292                                         | 286,098                                |
| Additions              | 115,000                             | 12,325                                        | 112,529                                |
| Exchange differences   | -                                   | -                                             | 250                                    |
| At 30 June 2011        | <u>115,000</u>                      | <u>14,617</u>                                 | <u>398,877</u>                         |
| <b>DEPRECIATION</b>    |                                     |                                               |                                        |
| At 1 July 2010         | -                                   | -                                             | 175,504                                |
| Charge for year        | 7,724                               | 828                                           | 37,852                                 |
| Eliminated on disposal | -                                   | -                                             | -                                      |
| Exchange differences   | -                                   | -                                             | 189                                    |
| At 30 June 2011        | <u>7,724</u>                        | <u>828</u>                                    | <u>213,545</u>                         |
| <b>NET BOOK VALUE</b>  |                                     |                                               |                                        |
| At 30 June 2011        | <u>107,276</u>                      | <u>13,789</u>                                 | <u>185,332</u>                         |
| At 30 June 2010        | <u>-</u>                            | <u>2,292</u>                                  | <u>110,594</u>                         |

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2011**

**9 TANGIBLE FIXED ASSETS - continued**

**Group**

|                        | <b>Fixtures<br/>&amp; fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Office &amp;<br/>computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b> |
|------------------------|------------------------------------------|---------------------------------|------------------------------------------------------|---------------------|
| <b>COST</b>            |                                          |                                 |                                                      |                     |
| At 1 July 2010         | 2,914,299                                | 80,012                          | 168,816                                              | 3,451,517           |
| Additions              | 389,248                                  | 21,719                          | 8,125                                                | 658,946             |
| Disposals              | -                                        | (20,600)                        | -                                                    | (20,600)            |
| Exchange differences   | -                                        | -                               | 525                                                  | 775                 |
| At 30 June 2011        | 3,303,547                                | 81,131                          | 177,466                                              | 4,090,638           |
| <b>DEPRECIATION</b>    |                                          |                                 |                                                      |                     |
| At 1 July 2010         | 2,397,993                                | 52,417                          | 159,560                                              | 2,785,474           |
| Charge for year        | 223,057                                  | 14,026                          | 8,275                                                | 291,762             |
| Eliminated on disposal | -                                        | (15,585)                        | -                                                    | (15,585)            |
| Exchange differences   | -                                        | -                               | 525                                                  | 714                 |
| At 30 June 2011        | 2,621,050                                | 50,858                          | 168,360                                              | 3,062,365           |
| <b>NET BOOK VALUE</b>  |                                          |                                 |                                                      |                     |
| At 30 June 2011        | 682,497                                  | 30,273                          | 9,106                                                | 1,028,273           |
| At 30 June 2010        | 516,306                                  | 27,595                          | 9,256                                                | 666,043             |

**Company**

|                        | <b>Plant &amp;<br/>equipment<br/>£</b> | <b>Fixtures<br/>&amp; fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Office &amp;<br/>computer<br/>equipment<br/>£</b> | <b>Totals<br/>£</b> |
|------------------------|----------------------------------------|------------------------------------------|---------------------------------|------------------------------------------------------|---------------------|
| <b>COST</b>            |                                        |                                          |                                 |                                                      |                     |
| At 1 July 2010         | 32,177                                 | 1,283,364                                | 28,798                          | 118,259                                              | 1,462,598           |
| Additions              | 13,320                                 | 98,494                                   | 7,202                           | 4,750                                                | 123,766             |
| Disposals              | -                                      | -                                        | (1,500)                         | -                                                    | (1,500)             |
| At 30 June 2011        | 45,497                                 | 1,381,858                                | 34,500                          | 123,009                                              | 1,584,864           |
| <b>DEPRECIATION</b>    |                                        |                                          |                                 |                                                      |                     |
| At 1 July 2010         | 19,098                                 | 1,146,873                                | 14,770                          | 113,016                                              | 1,293,757           |
| Charge for year        | 4,708                                  | 58,473                                   | 6,891                           | 6,191                                                | 76,263              |
| Eliminated on disposal | -                                      | -                                        | (1,281)                         | -                                                    | (1,281)             |
| At 30 June 2011        | 23,806                                 | 1,205,346                                | 20,380                          | 119,207                                              | 1,368,739           |
| <b>NET BOOK VALUE</b>  |                                        |                                          |                                 |                                                      |                     |
| At 30 June 2011        | 21,691                                 | 176,512                                  | 14,120                          | 3,802                                                | 216,125             |
| At 30 June 2010        | 13,079                                 | 136,491                                  | 14,028                          | 5,243                                                | 168,841             |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**10 FIXED ASSET INVESTMENTS**

**Group**

|                       | Interest<br>in<br>associate<br>undertakings<br>£ | Unlisted<br>investments<br>£ | Totals<br>£ |
|-----------------------|--------------------------------------------------|------------------------------|-------------|
| <b>COST</b>           |                                                  |                              |             |
| At 1 July 2010        | 8,800                                            | 842,301                      | 851,101     |
| Additions             | 5,529                                            | -                            | 5,529       |
| Exchange differences  | -                                                | 66,789                       | 66,789      |
| At 30 June 2011       | 14,329                                           | 909,090                      | 923,419     |
| <b>NET BOOK VALUE</b> |                                                  |                              |             |
| At 30 June 2011       | 14,329                                           | 909,090                      | 923,419     |
| At 30 June 2010       | 8,800                                            | 842,301                      | 851,101     |

**Company**

|                       | Interest<br>in<br>associate<br>undertakings<br>£ | Unlisted<br>investments<br>£ | Totals<br>£ |
|-----------------------|--------------------------------------------------|------------------------------|-------------|
| <b>COST</b>           |                                                  |                              |             |
| At 1 July 2010        | 300                                              | 2,501,122                    | 2,501,422   |
| Exchange differences  | -                                                | 66,789                       | 66,789      |
| At 30 June 2011       | 300                                              | 2,567,911                    | 2,568,211   |
| <b>NET BOOK VALUE</b> |                                                  |                              |             |
| At 30 June 2011       | 300                                              | 2,567,911                    | 2,568,211   |
| At 30 June 2010       | 300                                              | 2,501,122                    | 2,501,422   |

The group or the company's investments at the balance sheet date in the share capital of companies include the following

**Subsidiaries**

**Kexgill (Liverpool) Limited**

Nature of business Property developing & letting

|                                | %<br>holding | 2011<br>£ | 2010<br>£ |
|--------------------------------|--------------|-----------|-----------|
| Class of shares                | 100 00       |           |           |
| Ordinary shares of £1 each     |              |           |           |
| Aggregate capital and reserves |              | 5,519,141 | 4,997,735 |
| Profit for the year            |              | 404,906   | 162,917   |

**Kexgill Limited (Registered number: 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**10 FIXED ASSET INVESTMENTS - continued**

**Kexgill (Hull) Limited**

Nature of business Property developing & letting

|                                |              |                |                |
|--------------------------------|--------------|----------------|----------------|
| Class of shares                | %<br>holding | 2011           | 2010           |
| Ordinary shares of £1 each     | 100 00       | £              | £              |
| Aggregate capital and reserves |              | 1,929,372      | 1,671,246      |
| Profit for the year            |              | <u>134,126</u> | <u>139,994</u> |

**Kexgill(Middlesbrough)Limited**

Nature of business Property developing & letting

|                                |              |                |                |
|--------------------------------|--------------|----------------|----------------|
| Class of shares                | %<br>holding | 2011           | 2010           |
| Ordinary shares of £1 each     | 100 00       | £              | £              |
| Aggregate capital and reserves |              | 5,297,858      | 4,769,116      |
| Profit for the year            |              | <u>528,742</u> | <u>397,457</u> |

**Kexgill (Nottingham)Limited**

Nature of business Property developing & letting

|                                |              |                  |                |
|--------------------------------|--------------|------------------|----------------|
| Class of shares                | %<br>holding | 2011             | 2010           |
| Ordinary shares of £1 each     | 100 00       | £                | £              |
| Aggregate capital and reserves |              | (11,584)         | 322,009        |
| (Loss)/Profit for the year     |              | <u>(379,957)</u> | <u>207,498</u> |

**Kexgill (Preston) Limited**

Nature of business Property developing & letting

|                                |              |                  |                |
|--------------------------------|--------------|------------------|----------------|
| Class of shares                | %<br>holding | 2011             | 2010           |
| Ordinary shares of £1 each     | 100 00       | £                | £              |
| Aggregate capital and reserves |              | (137,703)        | 1,121,541      |
| (Loss)/Profit for the year     |              | <u>(341,204)</u> | <u>199,985</u> |

**Kexgill(Durham)Limited**

Nature of business Property developing & letting

|                                |              |                |                |
|--------------------------------|--------------|----------------|----------------|
| Class of shares                | %<br>holding | 2011           | 2010           |
| Ordinary shares of £1 each     | 100 00       | £              | £              |
| Aggregate capital and reserves |              | 1,433,255      | 1,314,296      |
| Profit for the year            |              | <u>118,959</u> | <u>183,637</u> |

**Kexgill Limited (Registered number. 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**10 FIXED ASSET INVESTMENTS - continued**

**Kexgill(Stockton)Limited**

Nature of business Property developing & letting

|                                |         |                  |             |
|--------------------------------|---------|------------------|-------------|
|                                | %       |                  |             |
| Class of shares                | holding |                  |             |
| Ordinary shares of £1 each     | 100 00  |                  |             |
|                                |         | <b>2011</b>      | <b>2010</b> |
|                                |         | <b>£</b>         | <b>£</b>    |
| Aggregate capital and reserves |         | <b>1,238,279</b> | 1,201,115   |
| Profit for the year            |         | <b>37,164</b>    | 6,576       |

**Kexgill(Salford)Limited**

Nature of business Property developing & letting

|                                |         |                  |             |
|--------------------------------|---------|------------------|-------------|
|                                | %       |                  |             |
| Class of shares                | holding |                  |             |
| Ordinary shares of £1 each     | 100 00  |                  |             |
|                                |         | <b>2011</b>      | <b>2010</b> |
|                                |         | <b>£</b>         | <b>£</b>    |
| Aggregate capital and reserves |         | <b>1,015,019</b> | 826,143     |
| Profit for the year            |         | <b>153,876</b>   | 131,874     |

**Kexgill (Construction)Limited**

Nature of business Property developing & letting

|                                |         |                    |             |
|--------------------------------|---------|--------------------|-------------|
|                                | %       |                    |             |
| Class of shares                | holding |                    |             |
| Ordinary shares of £1 each     | 100 00  |                    |             |
|                                |         | <b>2011</b>        | <b>2010</b> |
|                                |         | <b>£</b>           | <b>£</b>    |
| Aggregate capital and reserves |         | <b>(1,044,892)</b> | (1,037,985) |
| Loss for the year              |         | <b>(6,907)</b>     | (1,109,949) |

**Kexgill (Bradford)Limited**

Nature of business Property developing & letting

|                                |         |                 |             |
|--------------------------------|---------|-----------------|-------------|
|                                | %       |                 |             |
| Class of shares                | holding |                 |             |
| Ordinary shares of £1 each     | 100 00  |                 |             |
|                                |         | <b>2011</b>     | <b>2010</b> |
|                                |         | <b>£</b>        | <b>£</b>    |
| Aggregate capital and reserves |         | <b>81,501</b>   | 113,509     |
| (Loss)/Profit for the year     |         | <b>(32,008)</b> | 82,857      |

**Kexgill Immobilien GmbH**

Country of incorporation Germany

Nature of business Property developing & letting

|                                |         |                  |             |
|--------------------------------|---------|------------------|-------------|
|                                | %       |                  |             |
| Class of shares                | holding |                  |             |
| Ordinary shares of €1 each     | 100 00  |                  |             |
|                                |         | <b>2011</b>      | <b>2010</b> |
|                                |         | <b>£</b>         | <b>£</b>    |
| Aggregate capital and reserves |         | <b>2,393,850</b> | 1,869,687   |
| Profit for the year            |         | <b>203,592</b>   | 295,048     |

**Kexgill Limited (Registered number. 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**10 FIXED ASSET INVESTMENTS - continued**

**Kexgill Deutschland GmbH**

Country of incorporation Germany

Nature of business Property developing & letting

|                                | %       |                |                |
|--------------------------------|---------|----------------|----------------|
| Class of shares                | holding |                |                |
| Ordinary shares of €1 each     | 94 00   |                |                |
|                                |         | <b>2011</b>    | <b>2010</b>    |
|                                |         | <b>£</b>       | <b>£</b>       |
| Aggregate capital and reserves |         | <b>919,872</b> | <b>753,881</b> |
| Profit for the year            |         | <b>58,929</b>  | <b>103,647</b> |

**Associated Company**

**Kexgill (Consultancy) Limited**

Nature of business Commission agents

|                                | %       |               |               |
|--------------------------------|---------|---------------|---------------|
| Class of shares                | holding |               |               |
| Ordinary shares of £1          | 30 00   |               |               |
|                                |         | <b>2011</b>   | <b>2010</b>   |
|                                |         | <b>£</b>      | <b>£</b>      |
| Aggregate capital and reserves |         | <b>47,762</b> | <b>29,332</b> |
| Profit for the year            |         | <b>19,710</b> | <b>33,061</b> |

**11 INVESTMENT PROPERTY**

**Group**

|                          | <b>Total<br/>£</b> |
|--------------------------|--------------------|
| <b>COST OR VALUATION</b> |                    |
| At 1 July 2010           | <b>94,165,283</b>  |
| Additions                | <b>1,794,201</b>   |
| Disposals                | <b>(45,000)</b>    |
| Revaluations             | <b>(596,136)</b>   |
| Exchange differences     | <b>2,744,721</b>   |
| At 30 June 2011          | <b>98,063,069</b>  |
| <b>DEPRECIATION</b>      |                    |
| At 1 July 2010           | <b>511</b>         |
| Charge for year          | <b>67</b>          |
| At 30 June 2011          | <b>578</b>         |
| <b>NET BOOK VALUE</b>    |                    |
| At 30 June 2011          | <b>98,062,491</b>  |
| At 30 June 2010          | <b>94,164,772</b>  |

The investment properties held with the German subsidiaries are included at cost of £27,997,645. These properties have not been subjected to any revaluation in accordance with German accounting practices.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**11 INVESTMENT PROPERTY - continued**

**Group**

Cost or valuation at 30 June 2011 is represented by

|                   | £                 |
|-------------------|-------------------|
| Valuation in 2002 | 1,862,809         |
| Valuation in 2003 | 616,657           |
| Valuation in 2004 | 7,400,772         |
| Valuation in 2005 | 3,092,435         |
| Valuation in 2006 | 4,854,089         |
| Valuation in 2007 | 5,753,646         |
| Valuation in 2008 | 1,767,695         |
| Valuation in 2009 | 170,027           |
| Valuation in 2010 | 265,623           |
| Valuation in 2011 | (609,136)         |
| Cost              | 72,888,452        |
|                   | <u>98,063,069</u> |

If investment properties had not been revalued they would have been included at the following historical cost

|                        | 2011<br>£         | 2010<br>£         |
|------------------------|-------------------|-------------------|
| Cost                   | <u>72,888,452</u> | <u>68,381,530</u> |
| Aggregate depreciation | <u>(578)</u>      | <u>(511)</u>      |

During the year, 10 investment properties were valued on an open market basis by King Sturge LLP and Ryden LLP on various dates within the year

Of the investment properties that have not been revalued during the year, the director is of the opinion that the balance sheet value is not materially different from the market value

**Company**

|                                    | Total<br>£        |
|------------------------------------|-------------------|
| <b>COST OR VALUATION</b>           |                   |
| At 1 July 2010<br>and 30 June 2011 | <u>18,093,000</u> |
| <b>NET BOOK VALUE</b>              |                   |
| At 30 June 2011                    | <u>18,093,000</u> |
| At 30 June 2010                    | <u>18,093,000</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**11 INVESTMENT PROPERTY - continued**

**Company**

Cost or valuation at 30 June 2011 is represented by

|                   | £                 |
|-------------------|-------------------|
| Valuation in 2000 | 508,637           |
| Valuation in 2001 | 128,787           |
| Valuation in 2002 | 844,027           |
| Valuation in 2003 | 249,828           |
| Valuation in 2004 | 2,552,730         |
| Valuation in 2005 | 2,292,875         |
| Valuation in 2006 | 1,682,000         |
| Valuation in 2007 | 757,474           |
| Valuation in 2008 | 43,222            |
| Valuation in 2009 | 646,631           |
| Cost              | 8,386,789         |
|                   | <u>18,093,000</u> |

If investment properties had not been revalued they would have been included at the following historical cost

|      | 2011<br>£        | 2010<br>£        |
|------|------------------|------------------|
| Cost | <u>8,386,789</u> | <u>8,386,789</u> |

None of the investment properties have been revalued during the year, however the director is of the opinion that the balance sheet value is not materially different from the market value

**12 STOCKS**

|                  | Group            |                  |
|------------------|------------------|------------------|
|                  | 2011<br>£        | 2010<br>£        |
| Stocks           | 28,959           | 14,712           |
| Work-in-progress | <u>1,391,012</u> | <u>1,391,012</u> |
|                  | <u>1,419,971</u> | <u>1,405,724</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**13 DEBTORS**

|                                              | <b>Group</b>     |                  | <b>Company</b>    |                   |
|----------------------------------------------|------------------|------------------|-------------------|-------------------|
|                                              | <b>2011</b>      | <b>2010</b>      | <b>2011</b>       | <b>2010</b>       |
|                                              | <b>£</b>         | <b>£</b>         | <b>£</b>          | <b>£</b>          |
| Amounts falling due within one year          |                  |                  |                   |                   |
| Trade debtors                                | 403,087          | 334,176          | 74,184            | 64,036            |
| Due from associated companies                | 42,639           | 42,639           | 350,146           | 250,064           |
| Staff loan                                   | 56,500           | 58,412           | 38,185            | 37,735            |
| Other debtors                                | 314,664          | 233,824          | -                 | -                 |
| Client accounts                              | 122,532          | 61,078           | -                 | -                 |
| Directors' current accounts                  | -                | 273,752          | -                 | 120,238           |
| VAT                                          | -                | 2,081            | -                 | -                 |
| Prepayments                                  | 84,973           | 96,377           | 12,684            | 10,489            |
|                                              | <u>1,024,395</u> | <u>1,102,339</u> | <u>475,199</u>    | <u>482,562</u>    |
| Amounts falling due after more than one year |                  |                  |                   |                   |
| Due from group companies                     | -                | -                | 14,202,457        | 12,865,019        |
| Other debtors                                | 11,865           | 13,065           | -                 | -                 |
|                                              | <u>11,865</u>    | <u>13,065</u>    | <u>14,202,457</u> | <u>12,865,019</u> |
| Aggregate amounts                            | <u>1,036,260</u> | <u>1,115,404</u> | <u>14,677,656</u> | <u>13,347,581</u> |

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                         | <b>Group</b>     |                  | <b>Company</b> |                |
|-----------------------------------------|------------------|------------------|----------------|----------------|
|                                         | <b>2011</b>      | <b>2010</b>      | <b>2011</b>    | <b>2010</b>    |
|                                         | <b>£</b>         | <b>£</b>         | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts (see note 16) | 3,129,129        | 728,043          | -              | -              |
| Trade creditors                         | 291,919          | 200,993          | 45,759         | 46,373         |
| Tax                                     | 23,949           | 20,188           | -              | -              |
| Social security and other taxes         | 35,223           | 39,514           | 11,910         | 12,086         |
| VAT                                     | 1,900            | -                | -              | -              |
| Deposits held                           | 70,474           | 78,437           | 625            | 870            |
| Client account                          | 152,252          | 104,501          | 95,544         | 79,053         |
| Staff loan account                      | 5,685            | 5,685            | 5,685          | 5,685          |
| Directors' current accounts             | 20,240           | -                | 18,456         | -              |
| Accrued expenses                        | 746,878          | 683,943          | 159,659        | 174,364        |
|                                         | <u>4,477,649</u> | <u>1,861,304</u> | <u>337,638</u> | <u>318,431</u> |

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                          | <b>Group</b>             |                   | <b>Company</b>           |                   |
|--------------------------|--------------------------|-------------------|--------------------------|-------------------|
|                          | <b>2011</b>              | <b>2010</b>       | <b>2011</b>              | <b>2010</b>       |
|                          | <b>£</b>                 | <b>£</b>          | <b>£</b>                 | <b>£</b>          |
| Bank loans (see note 16) | <b>70,762,066</b>        | 69,891,918        | <b>15,498,174</b>        | 15,760,917        |
| Due to group companies   | -                        | -                 | <b>9,227,503</b>         | 7,887,946         |
| Other creditors          | <b>990,000</b>           | 990,000           | -                        | -                 |
|                          | <b><u>71,752,066</u></b> | <u>70,881,918</u> | <b><u>24,725,677</u></b> | <u>23,648,863</u> |

The company paid a deposit on a property with a completion date up to 13th April 2017 in the accounts to 30th June 2010. As legal exchange has taken place, the whole purchase price was brought in to the accounts. The liability is reflected within other creditors.

**16 LOANS**

An analysis of the maturity of loans is given below

|                                                  | <b>Group</b>             |                   | <b>Company</b>          |                  |
|--------------------------------------------------|--------------------------|-------------------|-------------------------|------------------|
|                                                  | <b>2011</b>              | <b>2010</b>       | <b>2011</b>             | <b>2010</b>      |
|                                                  | <b>£</b>                 | <b>£</b>          | <b>£</b>                | <b>£</b>         |
| Amounts falling due within one year or on demand |                          |                   |                         |                  |
| Bank loans                                       | <b><u>3,129,129</u></b>  | <u>728,043</u>    | -                       | -                |
| Amounts falling due between one and two years    |                          |                   |                         |                  |
| Bank loans - 1-2 years                           | <b><u>2,150,637</u></b>  | <u>2,573,128</u>  | -                       | -                |
| Amounts falling due between two and five years   |                          |                   |                         |                  |
| Bank loans - 2-5 years                           | <b><u>22,113,630</u></b> | <u>11,582,942</u> | <b><u>8,483,859</u></b> | <u>7,423,630</u> |
| Amounts falling due in more than five years      |                          |                   |                         |                  |
| Repayable otherwise than by instalments          |                          |                   |                         |                  |
| Bank loans more 5 yrs non-inst                   | <b><u>27,783,178</u></b> | <u>39,110,102</u> | <b><u>7,014,315</u></b> | <u>8,337,287</u> |
| Repayable by instalments                         |                          |                   |                         |                  |
| Bank loans more 5 yr by instal                   | <b><u>18,714,621</u></b> | <u>16,625,746</u> | -                       | -                |

The loans which are repayable over 5 years are secured on the investment properties of the group

The loans repayable other than by instalments are interest only loans. The current interest rates on these are between 0.5% and 5.30%. The maximum maturity dates of these loans do not exceed 25 years.

The loans due after 5 years repayable by instalments are due for maturity between 2016 and 2095. Interest rates on these loans vary between 0.5% and 5.30%.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**17 SECURED DEBTS**

The following secured debts are included within creditors

|            | <b>Group</b>      |                   | <b>Company</b>    |                   |
|------------|-------------------|-------------------|-------------------|-------------------|
|            | <b>2011</b>       | <b>2010</b>       | <b>2011</b>       | <b>2010</b>       |
|            | <b>£</b>          | <b>£</b>          | <b>£</b>          | <b>£</b>          |
| Bank loans | <b>73,891,195</b> | <b>70,619,961</b> | <b>15,498,174</b> | <b>15,760,917</b> |

The bank loans and overdrafts are secured by a fixed and floating charge over the company's assets and are repayable on demand

**18 PROVISIONS FOR LIABILITIES**

No provision has been made for deferred tax liability of £4,491,140 arising on the revaluation. This amount would be payable in the event of the property being sold, but there are no plans to sell it in the foreseeable future

**19 MINORITY INTERESTS**

The minority interest relates to a 6% shareholding by Dr M H S Lee in Kexgill Deutschland GmbH

**20 CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid |                     |               | <b>2011</b>   | <b>2010</b>   |
|---------------------------------|---------------------|---------------|---------------|---------------|
| Number                          | Class               | Nominal value | <b>£</b>      | <b>£</b>      |
| 11,772                          | 'A' Ordinary Shares | £1            | <b>11,772</b> | <b>11,772</b> |

**21 RESERVES**

| <b>Group</b>            | <b>Profit and loss account</b> | <b>Share premium</b> | <b>Revaluation reserve</b> |
|-------------------------|--------------------------------|----------------------|----------------------------|
|                         | <b>£</b>                       | <b>£</b>             | <b>£</b>                   |
| At 1 July 2010          | (389,966)                      | 1,310,406            | 25,783,753                 |
| Profit for the year     | 1,411,068                      | -                    | -                          |
| Revaluation Reserve     | -                              | -                    | (596,136)                  |
| Realised on disposals   | 13,000                         | -                    | (13,000)                   |
| Exchange rate movements | 39,663                         | -                    | -                          |
| At 30 June 2011         | <b>1,073,765</b>               | <b>1,310,406</b>     | <b>25,174,617</b>          |

**Kexgill Limited (Registered number: 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**21 RESERVES - continued**

**Group**

|                         | <b>Capital<br/>reserves<br/>£</b> | <b>Foreign<br/>exchange<br/>reserves<br/>£</b> | <b>Totals<br/>£</b> |
|-------------------------|-----------------------------------|------------------------------------------------|---------------------|
| At 1 July 2010          | 62,158                            | 20,087                                         | 26,786,438          |
| Profit for the year     |                                   |                                                | 1,411,068           |
| Revaluation Reserve     | -                                 | -                                              | (596,136)           |
| Exchange rate movements | 232,490                           | 49,346                                         | 321,499             |
| At 30 June 2011         | <u>294,648</u>                    | <u>69,433</u>                                  | <u>27,922,869</u>   |

**Company**

|                     | <b>Profit<br/>and loss<br/>account<br/>£</b> | <b>Revaluation<br/>reserve<br/>£</b> | <b>Totals<br/>£</b> |
|---------------------|----------------------------------------------|--------------------------------------|---------------------|
| At 1 July 2010      | 1,202,292                                    | 9,706,211                            | 10,908,503          |
| Profit for the year | 472,393                                      |                                      | 472,393             |
| At 30 June 2011     | <u>1,674,685</u>                             | <u>9,706,211</u>                     | <u>11,380,896</u>   |

**22 PENSION COMMITMENTS**

The pension cost charge represents contributions payable by the company to the fund and amounted to £3,664 (2010-£3,591) There were no outstanding contributions due at the year end

**23 CAPITAL COMMITMENTS**

|                                                             | <b>2011<br/>£</b> | <b>2010<br/>£</b> |
|-------------------------------------------------------------|-------------------|-------------------|
| Contracted but not provided for in the financial statements | <u>1,275,000</u>  | <u>-</u>          |

At the year end , the company was committed to purchase a property for £1,275,000 The company had secured loans for this borrowing prior to the year end

**24 TRANSACTIONS WITH DIRECTOR**

The following loan to directors subsisted during the years ended 30 June 2011 and 30 June 2010

|                                      | <b>2011<br/>£</b> | <b>2010<br/>£</b> |
|--------------------------------------|-------------------|-------------------|
| <b>Dr M H S Lee</b>                  |                   |                   |
| Balance outstanding at start of year | 273,752           | -                 |
| Amounts repaid                       | (425,228)         | -                 |
| Balance outstanding at end of year   | <u>(20,240)</u>   | <u>273,752</u>    |

**Kexgill Limited (Registered number. 01391421)**

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 30 June 2011**

**24 TRANSACTIONS WITH DIRECTOR - continued**

The loans to the director Dr M H S Lee were repaid on 16/07/2010, 6/10/2010 and 07/10/2010

The company leases the personal properties of the director, Dr M H S Lee During the year ended 30th June 2011, the company paid to him £124,333 (2010-£68,615)

**25 RELATED PARTY DISCLOSURES**

**RELATED PARTY TRANSACTIONS**

The group has a 30% undertaking in Kexgill (Consultancy) Limited The non trade balance due from this company at 30th June 2011 was £307,507 (2010-£207,425)

**26 ULTIMATE CONTROLLING PARTY**

The group is under the ultimate control of Dr M H S Lee

**27 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Group**

|                                                              | <b>2011</b>       | <b>2010</b> |
|--------------------------------------------------------------|-------------------|-------------|
|                                                              | <b>£</b>          | <b>£</b>    |
| Profit for the financial year                                | <b>1,411,068</b>  | 1,013,471   |
| Other recognised gains and losses relating to the year (net) | <b>(596,136)</b>  | 265,623     |
| Foreign exchange reserve                                     | <b>49,346</b>     | 16,220      |
| Capital reserves                                             | <b>232,490</b>    | (135,720)   |
| Exchange rate movements                                      | <b>39,663</b>     | (17,123)    |
| <b>Net addition to shareholders' funds</b>                   | <b>1,136,431</b>  | 1,142,471   |
| Opening shareholders' funds                                  | <b>26,798,210</b> | 25,655,739  |
| <b>Closing shareholders' funds</b>                           | <b>27,934,641</b> | 26,798,210  |

**Company**

|                                            | <b>2011</b>       | <b>2010</b> |
|--------------------------------------------|-------------------|-------------|
|                                            | <b>£</b>          | <b>£</b>    |
| Profit for the financial year              | <b>472,393</b>    | 221,430     |
| <b>Net addition to shareholders' funds</b> | <b>472,393</b>    | 221,430     |
| Opening shareholders' funds                | <b>10,920,275</b> | 10,698,845  |
| <b>Closing shareholders' funds</b>         | <b>11,392,668</b> | 10,920,275  |