

Report of the Director and
Consolidated Financial Statements
for the Year Ended 30 June 2012
for
Kexgill Limited

FRIDAY



A23ORGQO
A21 08/03/2013 #281
COMPANIES HOUSE

Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2012

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Consolidated Financial Statements	12

Kexgill Limited

Company Information
for the Year Ended 30 June 2012

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 2012

The director presents his report with the financial statements of the company and the group for the year ended 30 June 2012

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 and financial position of the company are as shown in the annexed financial statements and are set out on page 5

The past years results are regarded as satisfactory and represent a fairer representation of expenditure in each company as we now take into account the financial contribution between companies. This policy has been extended into the current year, so that much of head office expenditure is now divided pro rata between all companies rather than restricted to Kexgill Limited

We have also taken a very pessimistic view on bad debts because of the current economic conditions. However this level of loss may not come to fruition because of our excellent credit control operations

The near trebling of tuition fees in the middle of the worst recession in 80 years will make students more cost conscious and look for value for money. Anticipating this eventuality, we have already started a program of upgrading our stock and enhancing our quality of service to win a larger market share. This expenditure has a high cost element and has reduced our profitability to what it would otherwise be

Nevertheless because of this policy and our model of providing affordable accommodation in HMO's, as opposed to expensive new build halls, spread over 9 locations will fare us well in the future

The company has taken advantage of the exemption available to medium sized companies concerning key performance indicators

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2012

DIRECTOR

Dr M H S Lee held office during the whole of the period from 1 July 2011 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, a decrease of 10 cents on the euro rate during the following year would increase the company's borrowings by approximately £1.3m. This year due to the large increase in the Euro exchange rate with the £, the company's borrowings decreased by £1.9m. It is relevant to point out however that the euro loans, taken out by the UK companies, are not due for renewal until 10/03/2014, 03/06/2015 and 31/08/2015

The Euro rate has been decreasing against the pound steadily since June 2012 and this trend would seem to be continuing which would lead to increases in the company's overall exposure when the loans are due for maturity. The majority of the group's bank loan borrowings are on variable rates

Report of the Director
for the Year Ended 30 June 2012

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.

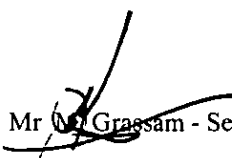
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

28 February 2013

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 2012 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 three, 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 Report of the Director 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 2012 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

1 March 2013

Consolidated Profit and Loss Account
for the Year Ended 30 June 2012

		2012		2011
	Notes	£	£	£
TURNOVER	2	10,665,336		9,935,970
Cost of sales		-		14,825
GROSS PROFIT		10,665,336		9,921,145
Administrative expenses		6,220,234		6,208,812
		4,445,102		3,712,333
Other operating income		1,180,097		116,789
OPERATING PROFIT	4	5,625,199		3,829,122
Income from interest in associated undertakings		-	5,529	
Income from fixed asset investments		31,255	16,063	
Interest receivable and similar income		7,909	5,064	
		39,164		26,656
		5,664,363		3,855,778
Amounts written off investments	5	14,029		-
		5,650,334		3,855,778
Interest payable and similar charges	6	2,776,456		2,460,787
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,873,878		1,394,991
Tax on profit on ordinary activities	7	142,266		(19,612)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		2,731,612		1,414,603
Minority interest - equity		(1,660)		3,535
RETAINED PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		2,733,272		1,411,068

CONTINUING OPERATIONS

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

Kexgill Limited (Registered number 01391421)

Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 30 June 2012

	2012	2011
	£	£
PROFIT FOR THE FINANCIAL YEAR	2,733,272	1,411,068
Unrealised surplus/(deficit) on revaluation of properties	833,361	(596,136)
TOTAL RECOGNISED GAINS AND LOSSES		
RELATING TO THE YEAR	3,566,633	814,932

The notes form part of these financial statements

Consolidated Balance Sheet
30 June 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	9	45,888	48,744
Tangible assets	10	1,227,147	1,028,273
Investments	11		
Interest in associate		300	14,329
Other investments		909,090	909,090
Investment property	12	95,086,505	98,062,491
		<u>97,268,930</u>	<u>100,062,927</u>
CURRENT ASSETS			
Stocks	13	1,411,458	1,419,971
Debtors	14	1,360,999	1,266,394
Cash at bank and in hand		2,699,887	1,665,233
		<u>5,472,344</u>	<u>4,351,598</u>
CREDITORS			
Amounts falling due within one year	15	3,798,376	4,584,146
NET CURRENT ASSETS/(LIABILITIES)		<u>1,673,968</u>	<u>(232,548)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>98,942,898</u>	<u>99,830,379</u>
CREDITORS			
Amounts falling due after more than one year	16	(67,791,906)	(71,875,702)
MINORITY INTERESTS	20	(18,375)	(20,035)
NET ASSETS		<u><u>31,132,617</u></u>	<u><u>27,934,642</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	11,772	11,772
Share premium	22	1,310,406	1,310,406
Revaluation reserve	22	26,007,978	25,174,617
Capital reserves	22	27,785	294,648
Foreign exchange reserves	22	39,911	69,433
Profit and loss account	22	3,734,765	1,073,766
SHAREHOLDERS' FUNDS	28	<u><u>31,132,617</u></u>	<u><u>27,934,642</u></u>

The financial statements were approved by the director on 28 February 2013 and were signed by



Dr M H S Lee - Director

The notes form part of these financial statements

Kexgull Limited (Registered number. 01391421)

Company Balance Sheet

30 June 2012

	Notes	2012 £	£	2011 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		260,678		216,125
Investments	11		2,568,211		2,568,211
Investment property	12		18,523,000		18,093,000
			<u>21,351,889</u>		<u>20,877,336</u>
CURRENT ASSETS					
Debtors	14	14,012,129		14,677,656	
Cash at bank and in hand		<u>1,186,185</u>		<u>900,991</u>	
		15,198,314		15,578,647	
CREDITORS					
Amounts falling due within one year	15	<u>332,788</u>		<u>337,638</u>	
NET CURRENT ASSETS			<u>14,865,526</u>		<u>15,241,009</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>36,217,415</u>		<u>36,118,345</u>
CREDITORS					
Amounts falling due after more than one year	16		<u>23,975,756</u>		<u>24,725,677</u>
NET ASSETS			<u><u>12,241,659</u></u>		<u><u>11,392,668</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		11,772		11,772
Revaluation reserve	22		10,136,211		9,706,211
Profit and loss account	22		<u>2,093,676</u>		<u>1,674,685</u>
SHAREHOLDERS' FUNDS	28		<u><u>12,241,659</u></u>		<u><u>11,392,668</u></u>

The financial statements were approved by the director on 28 February 2013 and were signed by



Dr M H S Lee - Director

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 30 June 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	1	3,760,848	5,091,372
Returns on investments and servicing of finance	2	(2,737,292)	(2,439,660)
Taxation		(5,410)	23,373
Capital expenditure and financial investment	2	3,101,659	(5,136,996)
		4,119,805	(2,461,911)
Financing	2	(3,079,960)	2,823,856
Increase in cash in the period		1,039,845	361,945
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		1,039,845	361,945
Cash outflow/(inflow) from decrease/(increase) in debt		40,676	(99,578)
Change in net debt resulting from cash flows		1,080,521	262,367
Exchange Difference		3,796,596	(3,171,655)
Movement in net debt in the period		4,877,117	(2,909,288)
Net debt at 1 July		(72,225,961)	(69,316,673)
Net debt at 30 June		(67,348,844)	(72,225,961)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2012

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

	2012	2011
	£	£
Operating profit	5,625,199	3,829,122
Depreciation charges	362,028	294,685
Loss/(profit) on disposal of fixed assets	149,642	(10,918)
Gains on exchange rate loans	(1,180,097)	996,080
Deficits on exchange rate bank balances	5,191	-
Decrease/(increase) in stocks	8,513	(14,247)
Increase in debtors	(65,681)	(424,742)
(Decrease)/increase in creditors	(1,143,947)	421,392
Net cash inflow from operating activities	3,760,848	5,091,372

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

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	7,909	5,064
Interest paid	(2,776,456)	(2,460,787)
Dividends received	31,255	16,063
Net cash outflow for returns on investments and servicing of finance	(2,737,292)	(2,439,660)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(563,204)	(658,946)
Purchase of investment property	(1,599,715)	(1,794,201)
Sale of tangible fixed assets	2,681	4,602
Sale of investment property	2,099,947	56,331
Investment property euro increase	3,161,025	(2,744,721)
Tangible asset euro increase	925	(61)
Net cash inflow/(outflow) for capital expenditure and financial investment	3,101,659	(5,136,996)
Financing		
New loans in year	10,138,871	585,000
Loan repayments in year	(10,179,547)	(485,421)
Loan exchange rate movements	(2,621,690)	2,108,786
Amount introduced by directors	31,001	425,229
Amount withdrawn by directors	(79,937)	(131,237)
Foreign exchange reserve movements	(29,522)	49,346
Capital reserve exchange movements	(266,863)	232,490
Profit & loss exchange reserve movements	(72,273)	39,663
Net cash (outflow)/inflow from financing	(3,079,960)	2,823,856

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.11 £	Cash flow £	Exchange rate movements £	At 30.6.12 £
Net cash				
Cash at bank and in hand	1,665,233	1,039,845	(5,191)	2,699,887
	<u>1,665,233</u>	<u>1,039,845</u>	<u>(5,191)</u>	<u>2,699,887</u>
Debt				
Debts falling due within one year	(3,005,492)	748,667	-	(2,256,825)
Debts falling due after one year	(70,885,702)	(707,991)	3,801,787	(67,791,906)
	<u>(73,891,194)</u>	<u>40,676</u>	<u>3,801,787</u>	<u>(70,048,731)</u>
Total	<u>(72,225,961)</u>	<u>1,080,521</u>	<u>3,796,596</u>	<u>(67,348,844)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2012

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 is recognised at the start of each academic term and the tenancy agreements are dated to coincide with the company's year end. By the end of the academic year all arrangements are completed.

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 company's 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 £22,588,005. 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

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

	2012 £	2011 £
United Kingdom	8,475,484	7,482,812
Europe	2,189,852	2,453,158
	<u>10,665,336</u>	<u>9,935,970</u>

3 STAFF COSTS

	2012 £	2011 £
Wages and salaries	1,254,451	1,185,097
Social security costs	101,212	98,891
Other pension costs	2,726	3,664
	<u>1,358,389</u>	<u>1,287,652</u>

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

	2012	2011
Office and administration	49	49
General	35	49
	<u>84</u>	<u>98</u>

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation - owned assets	359,750	291,829
Loss/(profit) on disposal of fixed assets	149,642	(10,918)
Goodwill amortisation	2,856	2,856
Auditors' remuneration	45,037	45,875
Auditors' remuneration for non audit work	3,168	3,135
Foreign exchange differences	<u>(1,174,906)</u>	<u>996,080</u>
Director's remuneration	<u>7,365</u>	<u>5,853</u>

5 AMOUNTS WRITTEN OFF INVESTMENTS

	2012 £	2011 £
Amounts w/o invs	<u>14,029</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	423	19
Bank loan interest	2,486,822	2,350,662
Redemption & financing fees	289,310	109,806
Interest on tax paid late	(99)	300
	<u>2,776,456</u>	<u>2,460,787</u>

7 TAXATION

Analysis of the tax charge/(credit)

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

	2012	2011
	£	£
Current tax		
UK corporation tax	143,985	-
German corporation tax	(1,719)	1,724
Overprovided in prior years	-	(21,336)
	<u>142,266</u>	<u>(19,612)</u>

Factors affecting the tax charge/(credit)

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

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>2,873,878</u>	<u>1,394,991</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011 - 26%)	689,731	362,698
Effects of Unrelieved tax losses	<u>(547,465)</u>	<u>(382,310)</u>
Current tax charge/(credit)	<u>142,266</u>	<u>(19,612)</u>

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

8 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 £418,991 (2011 - £472,392)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

9 INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 July 2011	
and 30 June 2012	<u>57,123</u>
AMORTISATION	
At 1 July 2011	8,379
Amortisation for year	<u>2,856</u>
At 30 June 2012	<u>11,235</u>
NET BOOK VALUE	
At 30 June 2012	<u><u>45,888</u></u>
At 30 June 2011	<u><u>48,744</u></u>

10 TANGIBLE FIXED ASSETS

Group

	Leasehold property £	Improvements to property £	Plant & equipment £
COST			
At 1 July 2011	115,000	14,617	398,877
Additions	20,000	18,790	70,887
Exchange rate movements	-	-	(1,203)
At 30 June 2012	<u>135,000</u>	<u>33,407</u>	<u>468,561</u>
DEPRECIATION			
At 1 July 2011	7,724	828	213,545
Charge for year	11,298	2,088	52,669
Eliminated on disposal	-	-	-
Exchange differences	-	-	(385)
At 30 June 2012	<u>19,022</u>	<u>2,916</u>	<u>265,829</u>
NET BOOK VALUE			
At 30 June 2012	<u><u>115,978</u></u>	<u><u>30,491</u></u>	<u><u>202,732</u></u>
At 30 June 2011	<u><u>107,276</u></u>	<u><u>13,789</u></u>	<u><u>185,332</u></u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

10 TANGIBLE FIXED ASSETS - continued

Group

	Fixtures & fittings £	Motor vehicles £	Office & computer equipment £	Totals £
COST				
At 1 July 2011	3,303,547	81,131	177,466	4,090,638
Additions	396,321	30,646	26,560	563,204
Disposals	-	(23,840)	(1,062)	(24,902)
Exchange rate movements	-	-	(710)	(1,913)
At 30 June 2012	3,699,868	87,937	202,254	4,627,027
DEPRECIATION				
At 1 July 2011	2,621,050	50,858	168,360	3,062,365
Charge for year	269,702	14,318	9,675	359,750
Eliminated on disposal	-	(20,482)	(765)	(21,247)
Exchange differences	-	-	(603)	(988)
At 30 June 2012	2,890,752	44,694	176,667	3,399,880
NET BOOK VALUE				
At 30 June 2012	809,116	43,243	25,587	1,227,147
At 30 June 2011	682,497	30,273	9,106	1,028,273

Company

	Plant & equipment £	Fixtures & fittings £	Motor vehicles £	Office & computer equipment £	Totals £
COST					
At 1 July 2011	45,497	1,381,858	34,500	123,009	1,584,864
Additions	15,516	93,354	5,861	14,419	129,150
Disposals	-	-	(3,150)	(1,062)	(4,212)
At 30 June 2012	61,013	1,475,212	37,211	136,366	1,709,802
DEPRECIATION					
At 1 July 2011	23,806	1,205,346	20,380	119,207	1,368,739
Charge for year	6,491	67,467	6,291	4,050	84,299
Eliminated on disposal	-	-	(3,149)	(765)	(3,914)
At 30 June 2012	30,297	1,272,813	23,522	122,492	1,449,124
NET BOOK VALUE					
At 30 June 2012	30,716	202,399	13,689	13,874	260,678
At 30 June 2011	21,691	176,512	14,120	3,802	216,125

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

11 FIXED ASSET INVESTMENTS

Group

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 1 July 2011	14,329	909,090	923,419
Impairments	(14,029)	-	(14,029)
At 30 June 2012	300	909,090	909,390
NET BOOK VALUE			
At 30 June 2012	300	909,090	909,390
At 30 June 2011	14,329	909,090	923,419

Company

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 1 July 2011 and 30 June 2012	300	2,567,911	2,568,211
NET BOOK VALUE			
At 30 June 2012	300	2,567,911	2,568,211
At 30 June 2011	300	2,567,911	2,568,211

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

Subsidiaries

Kexgill (Bradford) Limited

Nature of business Property developing & letting

	% holding	2012 £	2011 £
Class of shares			
Ordinary shares of £1 each	100.00		
Aggregate capital and reserves		214,712	81,501
Profit/(loss) for the year		123,211	(32,008)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

11 FIXED ASSET INVESTMENTS - continued

Kexgill (Construction) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		(1,045,101)	(1,044,892)
Loss for the year		(209)	(6,907)

Kexgill (Durham) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		1,635,691	1,433,255
Profit for the year		202,436	118,959

Kexgill (Hull) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		2,055,611	1,929,372
Profit for the year		66,239	134,126

Kexgill (Liverpool) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		5,793,710	5,519,141
Profit for the year		274,569	404,906

Kexgill (Middlesbrough) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		5,645,955	5,297,858
Profit for the year		349,097	528,742

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

11 FIXED ASSET INVESTMENTS - continued

Kexgill (Nottingham) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		600,161	(11,584)
Profit/(loss) for the year		636,397	(379,957)

Kexgill (Preston) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		668,398	(137,703)
Profit/(loss) for the year		713,838	(341,204)

Kexgill (Salford) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		1,420,827	1,015,019
Profit for the year		140,058	153,876

Kexgill (Stockton) Limited

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of £1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		1,363,492	1,238,279
Profit for the year		125,213	37,164

Kexgill Immobilien GmbH

Country of incorporation Germany

Nature of business Property developing & letting

	%		
Class of shares	holding		
Ordinary shares of €1 each	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		1,819,228	2,393,850
(Loss)/profit for the year		(214,356)	203,592

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

11 FIXED ASSET INVESTMENTS - continued

Kexgill Deutschland GmbH

Country of incorporation Germany

Nature of business Property developing & letting

	% holding	2012 £	2011 £
Class of shares			
Ordinary shares of €1 each	94 00		
Aggregate capital and reserves		770,759	919,872
(Loss)/profit for the year		(27,662)	58,929

Associated Company

Kexgill (Consultancy) Limited

Nature of business Commission agents

	% holding	2012 £	2011 £
Class of shares			
Ordinary shares of £1	30 00		
Aggregate capital and reserves		(16,560)	47,762
(Loss)/profit for the year		(64,322)	19,710

The unlisted investment in Landericus Property Fund , which was purchased in Euros, has not been subjected to exchange rate movement this year, as the director is of the opinion that the value of the investment is higher than cost

12 INVESTMENT PROPERTY

Group

	Total £
COST OR VALUATION	
At 1 July 2011	98,063,069
Additions	1,599,715
Disposals	(2,248,615)
Revaluations	833,361
Exchange rate movements	(3,161,025)
At 30 June 2012	95,086,505
DEPRECIATION	
At 1 July 2011	578
Charge written back	(578)
At 30 June 2012	-
NET BOOK VALUE	
At 30 June 2012	95,086,505
At 30 June 2011	98,062,491

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

12 INVESTMENT PROPERTY - continued

Group

The investment properties held with the German subsidiaries are included at cost of € 28,009,127 , which have been converted to sterling at the 30th June 2012 and the cost is £22,588,005 These properties have not been subjected to any revaluation in accordance with German accounting practices

Cost or valuation at 30 June 2012 is represented by

	£
Valuation in 2003	2,479,466
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)
Valuation in 2012	833,361
Cost	69,078,527
	<u>95,086,505</u>

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

	2012 £	2011 £
Cost	<u>69,078,527</u>	<u>72,888,452</u>
Aggregate depreciation	<u>-</u>	<u>(578)</u>

During the year, 6 investment properties were valued on an open market basis by Jones Lang LaSalle, Hardie Brack and Ryden LLP chartered surveyors 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 £
COST OR VALUATION	
At 1 July 2011	18,093,000
Revaluations	430,000
At 30 June 2012	<u>18,523,000</u>
NET BOOK VALUE	
At 30 June 2012	<u>18,523,000</u>
At 30 June 2011	<u>18,093,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

12 INVESTMENT PROPERTY - continued

Company

Cost or valuation at 30 June 2012 is represented by

	£
Valuation in 2001	637,424
Valuation in 2002	844,027
Valuation in 2003	244,300
Valuation in 2004	2,552,730
Valuation in 2005	2,218,875
Valuation in 2006	1,682,000
Valuation in 2007	737,474
Valuation in 2008	43,222
Valuation in 2009	746,159
Valuation in 2012	430,000
Cost	8,386,789
	<u>18,523,000</u>

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

	2012 £	2011 £
Cost	<u>8,386,789</u>	<u>8,386,789</u>

Two investment properties were valued on an open market basis on 7 March 2012 by Jones Lang LaSalle , chartered surveyors

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

13 STOCKS

	Group	
	2012 £	2011 £
Stocks	20,446	28,959
Work-in-progress	<u>1,391,012</u>	<u>1,391,012</u>
	<u>1,411,458</u>	<u>1,419,971</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

14 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Trade debtors	326,387	403,087	53,540	74,184
Due from associated companies	42,639	42,639	414,646	350,146
Staff loan	49,395	56,500	75,011	38,185
Other debtors	481,810	314,664	-	-
Client accounts	142,827	122,532	-	-
Directors' current accounts	28,696	-	30,481	-
Tax	228	-	-	-
VAT	1,094	-	-	-
Prepayments	278,258	315,107	11,081	12,684
	<u>1,351,334</u>	<u>1,254,529</u>	<u>584,759</u>	<u>475,199</u>
Amounts falling due after more than one year				
Due from group companies	-	-	13,427,370	14,202,457
Other debtors	9,665	11,865	-	-
	<u>9,665</u>	<u>11,865</u>	<u>13,427,370</u>	<u>14,202,457</u>
Aggregate amounts	<u>1,360,999</u>	<u>1,266,394</u>	<u>14,012,129</u>	<u>14,677,656</u>

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 17)	2,256,825	3,005,492	-	-
Trade creditors	219,668	291,919	69,373	45,759
Tax	161,033	23,949	-	-
Social security and other taxes	25,485	35,223	12,448	11,910
VAT	-	1,900	-	-
Deposits held	189,450	300,608	125	625
Client account	164,610	152,252	89,827	95,544
Staff loan account	-	5,685	-	5,685
Directors' current accounts	-	20,240	-	18,456
Accrued expenses	781,305	746,878	161,015	159,659
	<u>3,798,376</u>	<u>4,584,146</u>	<u>332,788</u>	<u>337,638</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 17)	67,791,906	70,885,702	14,642,985	15,498,174
Due to group companies	-	-	9,332,771	9,227,503
Other creditors	-	990,000	-	-
	<u>67,791,906</u>	<u>71,875,702</u>	<u>23,975,756</u>	<u>24,725,677</u>

17 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	<u>2,256,825</u>	<u>3,005,492</u>	<u>-</u>	<u>-</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>9,519,261</u>	<u>2,274,274</u>	<u>6,305,698</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>17,285,943</u>	<u>22,113,630</u>	<u>1,322,972</u>	<u>8,483,859</u>
Amounts falling due in more than five years				
Repayable otherwise than by instalments				
Bank loans more 5 yrs non-inst	<u>29,475,832</u>	<u>27,623,143</u>	<u>7,014,315</u>	<u>7,014,315</u>
Repayable by instalments				
Bank loans more 5 yr by instal	<u>11,510,870</u>	<u>18,874,655</u>	<u>-</u>	<u>-</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 2021 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 2012

18 SECURED DEBTS

The following secured debts are included within creditors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	<u>70,048,731</u>	<u>73,891,194</u>	<u>14,642,985</u>	<u>15,498,174</u>

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

19 PROVISIONS FOR LIABILITIES

No provision has been made for deferred tax liability of £2,344,168 arising on the investment properties revaluations. This amount would be payable in the event of the UK properties being sold, but there are no plans to sell them in the foreseeable future.

20 MINORITY INTERESTS

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

21 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value	2012	2011
Number	Class		£	£
11,772	'A' Ordinary Shares	£1	<u>11,772</u>	<u>11,772</u>

22 RESERVES

Group	Profit and loss account £	Share premium £	Revaluation reserve £
At 1 July 2011	1,073,766	1,310,406	25,174,617
Profit for the year	2,733,272		
Revaluation Reserve	-	-	833,361
Exchange rate movements	(72,273)	-	-
At 30 June 2012	<u>3,734,765</u>	<u>1,310,406</u>	<u>26,007,978</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

22 RESERVES - continued

Group

	Capital reserves £	Foreign exchange reserves £	Totals £
At 1 July 2011	294,648	69,433	27,922,870
Profit for the year			2,733,272
Revaluation Reserve	-	-	833,361
Exchange rate movements	(266,863)	(29,522)	(368,658)
At 30 June 2012	<u>27,785</u>	<u>39,911</u>	<u>31,120,845</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 July 2011	1,674,685	9,706,211	11,380,896
Profit for the year	418,991		418,991
Revaluation Reserve	-	430,000	430,000
At 30 June 2012	<u>2,093,676</u>	<u>10,136,211</u>	<u>12,229,887</u>

23 PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £2,726 (2011-£3,664) There were no outstanding contributions due at the year end

24 CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	-	1,275,000

25 TRANSACTIONS WITH DIRECTOR

The following loan to directors subsisted during the years ended 30 June 2012 and 30 June 2011

	2012 £	2011 £
Dr M H S. Lee		
Balance outstanding at start of year	-	273,752
Amounts repaid	(31,000)	(404,988)
Balance outstanding at end of year	<u>28,696</u>	<u>-</u>

The company leases the personal properties of the director, Dr M H S Lee During the year ended 30th June 2012, the group paid to him £126,480 (2011-£124,333)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2012

26 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements

Kexgill(Consultancy)Limited

The non trade balance due from this company at 30th June 2012 was £372,007 (2011-£307,507) Loans of £64,500 were paid during the year

	2012	2011
	£	£
Amount due from related party at the balance sheet date	<u>372,007</u>	<u>307,507</u>

27 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Dr M H S Lee

28 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011
	£	£
Profit for the financial year	2,733,272	1,411,068
Other recognised gains and losses relating to the year (net)	833,361	(596,136)
Foreign exchange reserve	(29,522)	49,346
Capital reserves	(266,863)	232,490
Exchange rate movements	(72,273)	39,663
Net addition to shareholders' funds	<u>3,197,975</u>	<u>1,136,431</u>
Opening shareholders' funds	<u>27,934,642</u>	<u>26,798,211</u>
Closing shareholders' funds	<u><u>31,132,617</u></u>	<u><u>27,934,642</u></u>

Company

	2012	2011
	£	£
Profit for the financial year	418,991	472,392
Other recognised gains and losses relating to the year (net)	430,000	-
Net addition to shareholders' funds	<u>848,991</u>	<u>472,392</u>
Opening shareholders' funds	<u>11,392,668</u>	<u>10,920,276</u>
Closing shareholders' funds	<u><u>12,241,659</u></u>	<u><u>11,392,668</u></u>