

REGISTERED NUMBER: 01391421 (England and Wales)

Co. House

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 30 June 2017
for
Kexgill Limited

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Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2017

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	7
Consolidated Balance Sheet	9
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16

Kexgill Limited
Company Information
for the Year Ended 30 June 2017

DIRECTORS: Dr. M.H.S. Lee
R. Stott

SECRETARY: Mrs. V. Fish

REGISTERED OFFICE: 56 Cottingham Road
HULL
East Yorkshire
HU6 7RD

REGISTERED NUMBER: 01391421 (England and Wales)

SENIOR STATUTORY AUDITOR: Anthony Rowland FCA

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

Kexgill Limited (Registered number: 01391421)

Group Strategic Report
for the Year Ended 30 June 2017

The directors present their strategic report of the company and the group for the year ended 30 June 2017.

REVIEW OF BUSINESS

The results for the year and financial position of the group are as shown in the annexed financial statements and are set out on page 7.

The group has performed well with all KPI's including letting, upgrade expenditure and expansion in line with expectations. The growth of the group and thus more complex funding around development has highlighted the importance of our highly skilled finance team which has delivered.

Profits are muted as a result of our planned upgrade of stock (increasing its value) which in real terms is refining units for increased rents and ease of letting. Re-alignment of the portfolio has been more pronounced in Hull where a number of HMO's (houses of multiple occupation) have been sold during the year. The group's partnership with Hull University has strengthened our position as the leading returning student provider in the city. Substantial funds were spent on refurbishing recently purchased stock adjacent to Hull University campus.

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

PRINCIPAL RISKS AND UNCERTAINTIES

Competition by way of PBSA (purpose built student accommodation) in Russell Group locations such as Liverpool and Leeds, whilst of concern, does present opportunities to purchase if there is over supply in the market. Our relatively small number of beds and more bespoke service levels means our occupancy is not impacted.

A fall in numbers or more stay at home students in other university locations has been and will continue to be alleviated by our relatively affordable rents in comparison to PBSA and HMO refurbishment.

Increased HMO licensing will have an impact on cash flow and staff time. This has been budgeted for and staff allocated for this specific role. In addition changes to the data protection legislation are being taken seriously with strengthened internal systems.

Future interest rate rises are budgeted for and minimised by our fixed rate deals.

FUTURE DEVELOPMENTS

Our opportunity led expansion which can lead to disposals of stock no longer considered prime will continue. Changing the perception of HMO living to have more appeal to students already in Hall environments, commenced to a large extent during this particular financial year and has proved successful. Latest expansion includes a prime office building for conversion adjacent to a Students Union.

ON BEHALF OF THE BOARD:

.....
Director

Date:

2-02-2018

Kexgill Limited (Registered number: 01391421)

Report of the Directors
for the Year Ended 30 June 2017

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

DIVIDENDS

An interim dividend of 0.4682 per share was paid on 22 February 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2017 will be £5,512.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2016 to the date of this report.

Dr. M.H.S. Lee
R. Stott

Other changes in directors holding office are as follows:

M. Grassam ceased to be a director after 30 June 2017 but prior to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C (11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors report. It has done so in respect of financial instruments, research and development and future developments.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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 directors are 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 each director 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.

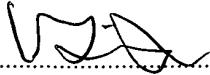
Kexgill Limited (Registered number: 01391421)

Report of the Directors
for the Year Ended 30 June 2017

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:



.....
Mrs. V. Fish - Secretary

Date: 5/2/2018.....

Report of the Independent Auditors to the Members of
Kexgill Limited

Opinion

We have audited the financial statements of Kexgill Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 on pages seven to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Kexgill Limited

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Date: 6/2/18

Kexgill Limited (Registered number: 01391421)

Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2017

	Notes	2017 £	2016 £
TURNOVER	4	12,714,959	10,989,472
Cost of sales		-	(41,782)
GROSS PROFIT		12,714,959	11,031,254
Administrative expenses		8,951,447	7,291,157
		3,763,512	3,740,097
Other operating income		768,065	816,790
OPERATING PROFIT	6	4,531,577	4,556,887
Income from fixed asset investments		-	32,551
Interest receivable and similar income		2,801	2,908
		2,801	35,459
		4,534,378	4,592,346
Amounts written off investments	7	192,900	-
		4,341,478	4,592,346
Interest payable and similar expenses	8	3,457,205	2,875,506
PROFIT BEFORE TAXATION		884,273	1,716,840
Tax on profit	9	204,370	321,842
PROFIT FOR THE FINANCIAL YEAR		679,903	1,394,998
OTHER COMPREHENSIVE INCOME			
Unrealised surplus on revaluation		6,872,078	3,503,147
Foreign exchange conversion gains		147,642	387,844
Income tax relating to components of other comprehensive income		(535,416)	(643,517)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		6,484,304	3,247,474
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,164,207	4,642,472
Profit attributable to:			
Owners of the parent		679,121	1,393,926
Non-controlling interests		782	1,072
		679,903	1,394,998
Total comprehensive income attributable to:			
Owners of the parent		7,163,425	4,641,400

The notes form part of these financial statements

Kexgill Limited (Registered number: 01391421)

Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2017

	2017	2016
	£	£
Non-controlling interests	782	1,072
	<u>7,164,207</u>	<u>4,642,472</u>

The notes form part of these financial statements

Kexgill Limited (Registered number: 01391421)**Consolidated Balance Sheet**
30 June 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	12	31,608	34,464
Tangible assets	13	1,558,916	1,866,544
Investments	14		
Interest in associate		190,300	300
Other investments		-	100,000
Investment property	15	123,696,334	105,215,248
		<u>125,477,158</u>	<u>107,216,556</u>
CURRENT ASSETS			
Stocks	16	800,000	800,000
Debtors	17	1,233,206	1,099,591
Cash at bank and in hand		3,520,083	3,132,815
		<u>5,553,289</u>	<u>5,032,406</u>
CREDITORS			
Amounts falling due within one year	18	2,668,057	11,293,424
NET CURRENT ASSETS/(LIABILITIES)		<u>2,885,232</u>	<u>(6,261,018)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,362,390</u>	<u>100,955,538</u>
CREDITORS			
Amounts falling due after more than one year	19	(79,042,055)	(59,360,267)
PROVISIONS FOR LIABILITIES	22	(4,023,598)	(3,457,229)
NET ASSETS		<u><u>45,296,737</u></u>	<u><u>38,138,042</u></u>

The notes form part of these financial statements

Kexgill Limited (Registered number: 01391421)

Consolidated Balance Sheet - continued
30 June 2017

	Notes	2017	2016
		£	£
CAPITAL AND RESERVES			
Called up share capital	23	11,772	11,772
Share premium	24	1,310,406	1,310,406
Revaluation reserve	24	(47,160)	(47,160)
Capital reserves	24	275,750	80,232
Foreign exchange reserves	24	(4,640)	14,061
Other reserves	24	32,831,029	27,900,740
Retained earnings	24	10,896,239	8,845,432
SHAREHOLDERS' FUNDS	29	45,273,396	38,115,483
NON-CONTROLLING INTERESTS	25	23,341	22,559
TOTAL EQUITY		45,296,737	38,138,042

The financial statements were approved by the Board of Directors on 2-2-2018 and were signed on its behalf by:


.....
R. Stott - Director

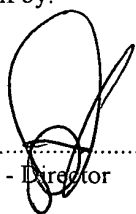
The notes form part of these financial statements

Kexgill Limited (Registered number: 01391421)

Company Balance Sheet
30 June 2017

	Notes	2017 £	2016 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	688,122	787,152
Investments	14	2,845,338	2,755,335
Investment property	15	21,322,000	21,350,000
		<u>24,855,460</u>	<u>24,892,487</u>
CURRENT ASSETS			
Debtors	17	17,110,754	14,640,490
Cash at bank and in hand		2,439,404	2,592,216
		<u>19,550,158</u>	<u>17,232,706</u>
CREDITORS			
Amounts falling due within one year	18	521,174	2,324,954
NET CURRENT ASSETS		<u>19,028,984</u>	<u>14,907,752</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,884,444</u>	<u>39,800,239</u>
CREDITORS			
Amounts falling due after more than one year	19	(28,311,097)	(25,445,775)
PROVISIONS FOR LIABILITIES	22	<u>(1,518,230)</u>	<u>(1,576,081)</u>
NET ASSETS		<u>14,055,117</u>	<u>12,778,383</u>
CAPITAL AND RESERVES			
Called up share capital	23	11,772	11,772
Revaluation reserve	24	(47,160)	(47,160)
Other reserves	24	11,127,509	10,823,751
Retained earnings	24	2,962,996	1,990,020
SHAREHOLDERS' FUNDS	29	<u>14,055,117</u>	<u>12,778,383</u>
Company's (loss)/profit for the financial year		<u>(201,083)</u>	<u>378,447</u>

The financial statements were approved by the Board of Directors on 2-2-2018 and were signed on its behalf by:


.....
R. Stott - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Capital reserves £
Balance at 1 July 2015	11,772	7,236,700	1,310,406	(47,160)	(313,888)
Changes in equity					
Total comprehensive income	-	1,608,732	-	-	394,120
Balance at 30 June 2016	11,772	8,845,432	1,310,406	(47,160)	80,232
Changes in equity					
Dividends	-	(5,512)	-	-	-
Total comprehensive income	-	2,056,319	-	-	195,518
Balance at 30 June 2017	11,772	10,896,239	1,310,406	(47,160)	275,750
	Foreign exchange reserves £	Other reserves £	Total £	Non-controlling interests £	Total equity £
Balance at 1 July 2015	60,210	25,216,043	33,474,083	21,487	33,495,570
Changes in equity					
Total comprehensive income	(46,149)	2,684,697	4,641,400	1,072	4,642,472
Balance at 30 June 2016	14,061	27,900,740	38,115,483	22,559	38,138,042
Changes in equity					
Dividends	-	-	(5,512)	-	(5,512)
Total comprehensive income	(18,701)	4,930,289	7,163,425	782	7,164,207
Balance at 30 June 2017	(4,640)	32,831,029	45,273,396	23,341	45,296,737

The notes form part of these financial statements

Kexgill Limited (Registered number: 01391421)

Company Statement of Changes in Equity
for the Year Ended 30 June 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1 July 2015	11,772	1,436,640	(47,160)	10,101,649	11,502,901
Changes in equity					
Total comprehensive income	-	553,380	-	722,102	1,275,482
Balance at 30 June 2016	11,772	1,990,020	(47,160)	10,823,751	12,778,383
Changes in equity					
Dividends	-	(5,512)	-	-	(5,512)
Total comprehensive income	-	978,488	-	303,758	1,282,246
Balance at 30 June 2017	11,772	2,962,996	(47,160)	11,127,509	14,055,117

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 30 June 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	3,638,890	6,182,385
Interest paid		(3,457,205)	(2,875,506)
Tax paid		(216,731)	(1,248)
Net cash from operating activities		<u>(35,046)</u>	<u>3,305,631</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(94,918)	(512,416)
Purchase of fixed asset investments		(190,000)	-
Purchase of investment property		(12,401,762)	(6,235,784)
Sale of tangible fixed assets		5,979	11,738
Sale of fixed asset investments		100,000	-
Sale of investment property		1,895,696	684,390
Investment property euro increase		(1,160,246)	(2,881,313)
Tangible asset euro increase		(71)	(308)
Interest received		2,801	2,908
Dividends received		-	32,551
Net cash from investing activities		<u>(11,842,521)</u>	<u>(8,898,234)</u>
Cash flows from financing activities			
New loans in year		18,485,019	6,361,523
Loan repayments in year		(7,382,360)	(2,692,547)
Loan exchange rate movements		1,045,767	2,505,822
Amount introduced by directors		1,784	232,900
Amount withdrawn by directors		(21,180)	(214,124)
Foreign exchange reserves movements		147,642	387,844
Equity dividends paid		(5,512)	-
Net cash from financing activities		<u>12,271,160</u>	<u>6,581,418</u>
Increase in cash and cash equivalents		393,593	988,815
Cash and cash equivalents at beginning of year	2	3,132,815	2,155,834
Effect of foreign exchange rate changes		<u>(6,325)</u>	<u>(11,834)</u>
Cash and cash equivalents at end of year	2	<u>3,520,083</u>	<u>3,132,815</u>

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 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	884,273	1,716,840
Depreciation charges	401,573	505,173
Loss on disposal of fixed assets	55,225	72,363
Deficits on exchange rate loans	(324,781)	(802,197)
Revaluation reclassification	-	380,757
Finance costs	3,457,205	2,875,506
Finance income	(2,801)	(35,459)
	4,470,694	4,712,983
Decrease in stocks	-	878,797
Increase in trade and other debtors	(133,571)	(165,459)
(Decrease)/increase in trade and other creditors	(698,233)	756,064
Cash generated from operations	3,638,890	6,182,385

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2017

	30.6.17	1.7.16
	£	£
Cash and cash equivalents	3,520,083	3,132,815

Year ended 30 June 2016

	30.6.16	1.7.15
	£	£
Cash and cash equivalents	3,132,815	2,155,834

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2017

1. STATUTORY INFORMATION

Kexgill Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Basis of consolidation

The consolidated profit and loss account and balance sheet includes the financial statements of the company and its subsidiary undertakings to 30th June 2017. All subsidiaries are included in the consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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.

Significant judgements and estimates

No significant judgements have had to be made by management in preparing these financial statements.

Turnover

Turnover is derived from rental income, and it 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.

Commission income is earned on the management of the tenanted properties and is recognised over the period of which that service is provided.

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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Freehold property	- No depreciation and Not Provided
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 and 20% on reducing balance
Motor vehicles	- 25% on cost
Office & computer equipment	- 20% on cost

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

3. ACCOUNTING POLICIES - continued

Investments in associates

Investments in associate undertakings are recognised at cost.

Investment properties

Investment properties are properties held to earn rentals. Investment properties are initially measured at cost, including transaction costs. Subsequently investment properties whose fair value can be measured reliably without undue cost or effort on an on going basis are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in the profit and loss in the period in which they arise.

Freehold property is held for capital appreciation. In the opinion of the directors, the recoverable value of the freehold property is not materially different to the value stated in the accounts as the property is well maintained. On that basis no depreciation is provided on the freehold property.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Income tax and deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 profit or loss in the period to which they relate.

Employee benefits

Short term employee benefits are recognised as an expense in the period in which they are incurred.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

3. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are occurred

Provisions

Provisions are recognised when the group has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle the obligation and the amount of the obligation can be reliably estimated..

Financial Instruments

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

Debt instruments like loans and other accounts receivable are payable and measured at present value of the future payments.

4. TURNOVER

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

An analysis of turnover by class of business is given below:

	2017 £	2016 £
Rent receivable	12,520,290	10,797,673
Incidental property income	194,669	191,799
	<u>12,714,959</u>	<u>10,989,472</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	10,975,166	9,430,900
Europe	1,739,793	1,558,572
	<u>12,714,959</u>	<u>10,989,472</u>

5. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,854,306	1,628,042
Social security costs	114,043	100,194
Other pension costs	11,368	7,838
	<u>1,979,717</u>	<u>1,736,074</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

5. EMPLOYEES AND DIRECTORS - continued

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

	2017	2016
Office and administration	47	40
General	45	45
	<u>92</u>	<u>85</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 92.

	2017	2016
	£	£
Directors' remuneration	207,140	207,218
Directors' pension contributions to money purchase schemes	<u>2,657</u>	<u>2,623</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	114,228	108,352
Pension contributions to money purchase schemes	<u>377</u>	<u>263</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	398,717	502,317
Loss on disposal of fixed assets	55,225	72,363
Goodwill amortisation	2,856	2,856
Auditors' remuneration	46,020	43,730
Auditors' remuneration for non audit work	11,000	11,000
Foreign exchange differences	<u>(331,106)</u>	<u>(814,031)</u>

GROUP

Remuneration of non-audit work of £11,000 - (2016- £11,000) relates to fees in respect of accountancy services , including the cost of translating the groups two german subsidiaries from Euros into sterling of £5,000 - (2016 - £5,000) , taxation services, payroll services, preparation of the financial statements and other professional services.

COMPANY

Remuneration of non-audit work of £7,000 - (2016- £7,000) relates to fees in respect of accountancy services , including the cost of translating the groups two german subsidiaries from Euros into sterling of £5,000 - (2016 £5,000) , taxation services, payroll services, preparation of the financial statements and other professional services.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

7. AMOUNTS WRITTEN OFF INVESTMENTS

	2017	2016
	£	£
Amounts w/o invs	100,000	-
Loan write off	92,900	-
	<u>192,900</u>	<u>-</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank loan interest	3,044,681	2,155,272
Redemption & financing fees	412,524	720,234
	<u>3,457,205</u>	<u>2,875,506</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	171,899	216,275
Underprovided in prior year	1,518	-
Total current tax	173,417	216,275
Deferred tax	30,953	105,567
Tax on profit	<u>204,370</u>	<u>321,842</u>

UK corporation tax has been charged at 19% (2016 - 20%).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

9. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2017 £	2016 £
Profit before tax	<u>884,273</u>	<u>1,716,840</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	<u>168,012</u>	343,368
Effects of:		
Expenses not deductible for tax purposes	10,493	14,472
Income not taxable for tax purposes	-	(6,510)
Depreciation in excess of capital allowances	38,912	45,707
Utilisation of tax losses	(49,708)	(157,256)
Deferred taxation	30,953	105,567
Wear & tear allowance (restricted)	-	(120,870)
Chargeable gain	-	29,336
Intergroup property gains	-	76,151
German profits not subject to uk tax	(21,344)	(8,123)
Investment write off	19,000	-
Underprovided in prior year	1,518	-
Effect of rate change from 20% to 19%	<u>6,534</u>	<u>-</u>
Total tax charge	<u>204,370</u>	<u>321,842</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2017 Tax £	Net £
Unrealised surplus on revaluation	6,872,078	(535,416)	6,336,662
Foreign exchange conversion gains	147,642	-	147,642
	<u>7,019,720</u>	<u>(535,416)</u>	<u>6,484,304</u>
	Gross £	2016 Tax £	Net £
Unrealised surplus on revaluation	3,503,147	(643,517)	2,859,630
Foreign exchange conversion gains	387,844	-	387,844
	<u>3,890,991</u>	<u>(643,517)</u>	<u>3,247,474</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

11. DIVIDENDS

	2017 £	2016 £
Ordinary Shares shares of £1 each		
Interim	<u>5,512</u>	<u>-</u>

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 July 2016	
and 30 June 2017	<u>57,123</u>
AMORTISATION	
At 1 July 2016	22,659
Amortisation for year	<u>2,856</u>
At 30 June 2017	<u>25,515</u>
NET BOOK VALUE	
At 30 June 2017	<u>31,608</u>
At 30 June 2016	<u>34,464</u>

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Leasehold property £	Improvements to property £	Plant & equipment £
COST OR VALUATION				
At 1 July 2016	304,000	135,000	33,407	509,771
Additions	-	-	21,500	7,054
Exchange rate movements	-	-	-	3,738
At 30 June 2017	<u>304,000</u>	<u>135,000</u>	<u>54,907</u>	<u>520,563</u>
DEPRECIATION				
At 1 July 2016	-	68,214	15,028	394,823
Charge for year	-	12,298	4,461	24,193
Eliminated on disposal	-	-	-	-
Exchange differences	-	-	-	3,667
At 30 June 2017	<u>-</u>	<u>80,512</u>	<u>19,489</u>	<u>422,683</u>
NET BOOK VALUE				
At 30 June 2017	<u>304,000</u>	<u>54,488</u>	<u>35,418</u>	<u>97,880</u>
At 30 June 2016	<u>304,000</u>	<u>66,786</u>	<u>18,379</u>	<u>114,948</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

13. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures & fittings £	Motor vehicles £	Office & computer equipment £	Totals £
COST OR VALUATION				
At 1 July 2016	2,874,007	152,533	324,023	4,332,741
Additions	-	52,890	13,474	94,918
Disposals	-	(21,458)	-	(21,458)
Exchange rate movements	-	-	1,718	5,456
At 30 June 2017	2,874,007	183,965	339,215	4,411,657
DEPRECIATION				
At 1 July 2016	1,630,952	84,324	272,856	2,466,197
Charge for year	312,731	29,568	15,466	398,717
Eliminated on disposal	-	(17,558)	-	(17,558)
Exchange differences	-	-	1,718	5,385
At 30 June 2017	1,943,683	96,334	290,040	2,852,741
NET BOOK VALUE				
At 30 June 2017	930,324	87,631	49,175	1,558,916
At 30 June 2016	1,243,055	68,209	51,167	1,866,544

Included in cost or valuation of land and buildings is freehold land of £9,000 (2016 - £9,000) which is not depreciated.

Cost or valuation at 30 June 2017 is represented by:

	Freehold property £	Leasehold property £	Improvements to property £	Plant & equipment £
Valuation in 2015	(47,160)	-	-	-
Cost	351,160	135,000	54,907	520,563
	304,000	135,000	54,907	520,563

	Fixtures & fittings £	Motor vehicles £	Office & computer equipment £	Totals £
Valuation in 2015	-	-	-	(47,160)
Cost	2,874,007	183,965	339,215	4,458,817
	2,874,007	183,965	339,215	4,411,657

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

13. TANGIBLE FIXED ASSETS - continued

Group

If the freehold property had not been revalued it would have been included at the following historical cost:

	2017	2016
	£	£
Cost	<u>351,160</u>	<u>351,160</u>

Mr. R.Stott , who is a director of the group and a chartered surveyor, valued the freehold property externally during the year at market value on 30th June 2017.

In the opinion of the directors, the recoverable value of the freehold properties was not materially different to the value stated in the accounts as the property is well maintained.

Company

	Freehold property £	Plant & equipment £	Fixtures & fittings £
COST OR VALUATION			
At 1 July 2016	295,000	69,940	937,400
Additions	-	2,329	-
At 30 June 2017	<u>295,000</u>	<u>72,269</u>	<u>937,400</u>
DEPRECIATION			
At 1 July 2016	-	50,909	526,265
Charge for year	-	3,922	103,901
Eliminated on disposal	-	-	-
At 30 June 2017	<u>-</u>	<u>54,831</u>	<u>630,166</u>
NET BOOK VALUE			
At 30 June 2017	<u>295,000</u>	<u>17,438</u>	<u>307,234</u>
At 30 June 2016	<u>295,000</u>	<u>19,031</u>	<u>411,135</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

13. TANGIBLE FIXED ASSETS - continued

Company

	Motor vehicles £	Office & computer equipment £	Totals £
COST OR VALUATION			
At 1 July 2016	48,890	226,879	1,578,109
Additions	23,873	6,776	32,978
Disposals	(10,168)	-	(10,168)
At 30 June 2017	62,595	233,655	1,600,919
DEPRECIATION			
At 1 July 2016	26,108	187,675	790,957
Charge for year	11,871	12,312	132,006
Eliminated on disposal	(10,166)	-	(10,166)
At 30 June 2017	27,813	199,987	912,797
NET BOOK VALUE			
At 30 June 2017	34,782	33,668	688,122
At 30 June 2016	22,782	39,204	787,152

Cost or valuation at 30 June 2017 is represented by:

	Freehold property £	Plant & equipment £	Fixtures & fittings £
Valuation in 2015	(47,160)	-	-
Cost	342,160	72,269	937,400
	295,000	72,269	937,400
	Motor vehicles £	Office & computer equipment £	Totals £
Valuation in 2015	-	-	(47,160)
Cost	62,595	233,655	1,648,079
	62,595	233,655	1,600,919

If freehold property had not been revalued it would have been included at the following historical cost:

	2017 £	2016 £
Cost	342,160	342,160

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

13. TANGIBLE FIXED ASSETS - continued

Company

Mr. R.Stott , who is a director of the company and a chartered surveyor, valued the freehold property during the year at market value on 30th June 2017.

In the opinion of the directors, the recoverable value of the freehold property was not materially different to the value stated in the accounts as the property is well maintained.

14. FIXED ASSET INVESTMENTS

Group

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 1 July 2016	300	100,000	100,300
Additions	190,000	-	190,000
Disposals	-	(100,000)	(100,000)
At 30 June 2017	190,300	-	190,300
NET BOOK VALUE			
At 30 June 2017	190,300	-	190,300
At 30 June 2016	300	100,000	100,300

Company

	Interest in associate £	Unlisted investments £	Totals £
COST			
At 1 July 2016	300	2,755,035	2,755,335
Additions	190,000	3	190,003
Disposals	-	(100,000)	(100,000)
At 30 June 2017	190,300	2,655,038	2,845,338
NET BOOK VALUE			
At 30 June 2017	190,300	2,655,038	2,845,338
At 30 June 2016	300	2,755,035	2,755,335

Kexgill Limited (Registered number: 01391421)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

14. FIXED ASSET INVESTMENTS - continued

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

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

	2017	2016
	£	£
Aggregate capital and reserves	2,061,205	1,842,414
Profit for the year	160,627	37,095

Kexgill (Construction) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

	2017	2016
	£	£
Aggregate capital and reserves	(1,044,483)	(1,139,269)
Profit for the year	80,712	423,763

Kexgill (Durham) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

	2017	2016
	£	£
Aggregate capital and reserves	1,420,942	1,273,632
Profit for the year	147,310	76,739

Kexgill (Hull) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

	2017	2016
	£	£
Aggregate capital and reserves	2,777,852	2,628,751
Profit for the year	112,821	130,864

Kexgill Limited (Registered number: 01391421)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

14. FIXED ASSET INVESTMENTS - continued

Kexgill (Liverpool) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		8,608,548	7,646,981
Profit for the year		237,861	248,865

Kexgill (Middlesbrough) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		5,952,404	5,844,339
(Loss)/profit for the year		(34,455)	93,439

Kexgill (Nottingham) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		3,866,547	3,085,718
Profit for the year		313,592	11,837

Kexgill (Preston) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		1,776,793	1,329,262
Profit for the year		297,531	50,908

Kexgill Limited (Registered number: 01391421)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

14. FIXED ASSET INVESTMENTS - continued

Kexgill (Salford) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		2,361,532	2,068,580
Profit for the year		127,250	135,313

Kexgill (Stockton) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of £1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		1,151,237	1,080,249
Profit for the year		240,988	217,464

Kexgill Immobilien GmbH

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of €1 each	100.00		
		2017	2016
		£	£
Aggregate capital and reserves		2,802,603	2,253,474
Profit/(loss) for the year		98,280	(43,982)

Kexgill Deutschland GmbH

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property developing & letting

	%		
Class of shares:	holding		
Ordinary shares of €1 each	94.00		
		2017	2016
		£	£
Aggregate capital and reserves		412,033	499,425
Profit for the year		13,040	17,861

Kexgill Limited (Registered number: 01391421)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

14. FIXED ASSET INVESTMENTS - continued

Kexgill (Management) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property development and letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

2017

£

Aggregate capital and reserves

1

Loss for the year

(720)

Kexgill (Cottingham) Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property development & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

2017

£

Aggregate capital and reserves

1

Kexgill (Cottingham) 2 Limited

Registered office: 56 Cottingham Road, Hull, East Yorkshire HU6 7RA

Nature of business: Property development & letting

	%
Class of shares:	holding
Ordinary shares of £1 each	100.00

2017

£

Aggregate capital and reserves

2,178,817

Loss for the year

(910,994)

Associated companies

Kexgill (Consultancy) Limited

Registered office:

Nature of business: Commission agents

	%
Class of shares:	holding
Ordinary shares of £1 each	30.00

2017

£

2016

£

Aggregate capital and reserves

(151,189)

(187,615)

Profit for the year

36,426

13,182

Kexgill Limited (Registered number: 01391421)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

14. FIXED ASSET INVESTMENTS - continued

Simon Lee Properties Limited

Registered office: Tranby Lane, Swanland, East Yorkshire HU14 3NG

Nature of business: Property development & letting

Class of shares:	%		
Ordinary shares of £1 each	holding		
	30.00		
3% Preference shares of £1 each	100.00		
		31.3.17	2016
		£	£
Aggregate capital and reserves		161,000	1
Profit for the year		51,407	11,988

15. INVESTMENT PROPERTY

Group

	Total
	£
FAIR VALUE	
At 1 July 2016	105,215,248
Additions	12,401,762
Disposals	(1,953,000)
Revaluations	6,872,078
Exchange rate movements	1,160,246
At 30 June 2017	123,696,334
NET BOOK VALUE	
At 30 June 2017	123,696,334
At 30 June 2016	105,215,248

The investment properties held with the German subsidiaries are included at a revalued cost of € 22,750,000 (2016 - €22,550,000), which have been converted to sterling at the 30th June 2017 to cost of £20,001,759. (2016-£18,665,673).

Fair value at 30 June 2017 is represented by:

	£
Valuation in 2015	749,424
Valuation in 2016	3,122,390
Valuation in 2017	6,872,078
Cost	112,952,442
	123,696,334

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

	2017	2016
	£	£
Cost	112,952,442	101,343,434

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

15. INVESTMENT PROPERTY - continued

Group

During the year , 44 properties across the group were valued externally by the following :-

Lambert Smith Hampton 1st February 2017
Allsop LLP 24th July 2017

Mr. R.Stott , who is a director of the group and a chartered surveyor, valued the investment properties that were not valued externally during the year at market value on 30th June 2017.

In the opinion of the directors, the recoverable value of investment properties is not materially different to the value stated in the accounts as the properties are well maintained.

Company

	Total £
FAIR VALUE	
At 1 July 2016	21,350,000
Additions	248,749
Disposals	(1,693,000)
Revaluations	1,416,251
At 30 June 2017	21,322,000
NET BOOK VALUE	
At 30 June 2017	21,322,000
At 30 June 2016	21,350,000

Fair value at 30 June 2017 is represented by:

	£
Valuation in 2015	202,977
Valuation in 2016	1,006,248
Valuation in 2017	1,416,251
Cost	18,696,524
	21,322,000

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

	2017 £	2016 £
Cost	18,696,524	20,140,775

Mr. R.Stott , who is a director of the company and a chartered surveyor, valued the investment properties that were not valued externally during the year at market value on 30th June 2017.

In the opinion of the directors, the recoverable value of investment properties were not materially different to the value stated in the accounts as the properties are well maintained.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

16. STOCKS

	Group	
	2017	2016
	£	£
Work-in-progress	800,000	800,000

17. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	560,361	428,257	126,940	131,808
Due from associated companies	42,639	42,639	42,639	279,951
Staff loan	3,390	33,959	3,075	18,545
Other debtors	199,634	241,106	177,930	-
Client accounts	10,417	3,483	3,074	3,483
Directors' current accounts	-	-	634	-
Tax	759	715	-	-
VAT	16,895	23,360	-	-
Prepayments	399,111	318,263	57,493	35,198
	1,233,206	1,091,782	411,785	468,985
Amounts falling due after more than one year:				
Due from group companies	-	-	16,698,969	14,171,505
Other debtors	-	7,809	-	-
	-	7,809	16,698,969	14,171,505
Aggregate amounts	1,233,206	1,099,591	17,110,754	14,640,490

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 20)	501,595	8,366,063	6,800	1,322,972
Trade creditors	424,230	453,691	183,287	177,069
Tax	173,005	216,275	-	37,957
Social security and other taxes	38,857	36,061	21,604	17,371
Deposits held	189,512	183,130	775	50
Client account	49,805	49,606	41,162	35,838
Directors' current accounts	1,150	20,546	-	18,762
Accruals and deferred income	56,249	77,059	-	-
Accrued expenses	1,233,654	1,890,993	267,546	714,935
	2,668,057	11,293,424	521,174	2,324,954

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 20)	79,042,055	59,360,267	14,329,393	12,450,582
Due to group companies	-	-	13,981,704	12,995,193
	<u>79,042,055</u>	<u>59,360,267</u>	<u>28,311,097</u>	<u>25,445,775</u>

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>501,595</u>	<u>8,366,063</u>	<u>6,800</u>	<u>1,322,972</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>2,785,678</u>	<u>1,088,473</u>	<u>6,800</u>	<u>-</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>23,640,157</u>	<u>10,105,712</u>	<u>20,400</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans more 5 yrs non-inst	<u>43,563,731</u>	<u>43,280,658</u>	<u>13,154,158</u>	<u>12,450,582</u>
Repayable by instalments				
Bank loans more 5 yr by instal	<u>9,052,489</u>	<u>4,885,424</u>	<u>1,148,035</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 11.00%. 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 2077. 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 2017

21. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	<u>79,543,650</u>	<u>67,726,330</u>	<u>14,336,193</u>	<u>13,773,554</u>

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

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Deferred tax	<u>4,023,598</u>	<u>3,457,229</u>	<u>1,518,230</u>	<u>1,576,081</u>

Group

	Deferred tax £
Balance at 1 July 2016	3,457,229
Credit to Statement of Comprehensive Income during year	535,416
Utilised during year	30,953
Balance at 30 June 2017	<u>4,023,598</u>

Company

	Deferred tax £
Balance at 1 July 2016	1,576,081
Credit to Statement of Comprehensive Income during year	(67,078)
Utilised during year	9,227
Balance at 30 June 2017	<u>1,518,230</u>

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017	2016
			£	£
11,772	Ordinary Shares	£1	<u>11,772</u>	<u>11,772</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

24. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 July 2016	8,845,432	1,310,406	(47,160)
Profit for the year	679,121		
Dividends	(5,512)		
Exchange rate movements	27,043	-	-
Realised on disposals	1,350,155	-	-
At 30 June 2017	10,896,239	1,310,406	(47,160)

Group

	Capital reserves £	Foreign exchange reserves £	Other reserves £	Totals £
At 1 July 2016	80,232	14,061	27,900,740	38,103,711
Profit for the year				679,121
Dividends				(5,512)
Revaluation in year	-	-	6,872,078	6,872,078
Tax on comprehensive income	-	-	(535,416)	(535,416)
Exchange rate movements	195,518	(18,701)	(56,218)	147,642
Realised on disposals	-	-	(1,350,155)	-
At 30 June 2017	275,750	(4,640)	32,831,029	45,261,624

Company

	Retained earnings £	Revaluation reserve £	Other reserves £	Totals £
At 1 July 2016	1,990,020	(47,160)	10,823,751	12,766,611
Deficit for the year	(201,083)			(201,083)
Dividends	(5,512)			(5,512)
Revaluation in year	-	-	1,416,251	1,416,251
Tax on comprehensive income	-	-	67,078	67,078
Realised on disposals	1,179,571	-	(1,179,571)	-
At 30 June 2017	2,962,996	(47,160)	11,127,509	14,043,345

25. NON-CONTROLLING INTERESTS

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

26. PENSION COMMITMENTS

Pension contributions paid to employees during the year amounted to £8,711 (2016-£5,215) for employees and £2,657 (2016- £2,623) for directors. There were no outstanding contributions due at the year end.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2017

27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

GROUP

The group leases the personal properties of the director, Dr.M.H.S.Lee. During the year ended 30th June 2017, the group paid to him £77,018 (2016-£99,699).

COMPANY

The company leases the personal properties of the director, Dr.M.H.S.Lee. During the year ended 30th June 2017, the company paid to him £65,407 (2016-£88,088).

28. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Dr. M.H.S. Lee.

29. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2017 £	2016 £
Profit for the financial year	679,121	1,393,926
Dividends	(5,512)	-
	673,609	1,393,926
Other comprehensive income relating to the year (net)	6,484,304	3,247,474
	7,157,913	4,641,400
Net addition to shareholders' funds	38,115,483	33,474,083
Opening shareholders' funds		
	45,273,396	38,115,483
Closing shareholders' funds		

Company

	2017 £	2016 £
(Loss)/profit for the financial year	(201,083)	378,447
Dividends	(5,512)	-
	(206,595)	378,447
Other comprehensive income relating to the year (net)	1,483,329	897,035
	1,276,734	1,275,482
Net addition to shareholders' funds	12,778,383	11,502,901
Opening shareholders' funds		
	14,055,117	12,778,383
Closing shareholders' funds		