

Company Registration No. 04568310 (England and Wales)

**KEXGILL (DURHAM) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020**

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# **KEXGILL (DURHAM) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2020**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**KEXGILL (DURHAM) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2020**

|                                                                | Notes | 2020<br>£        | £                       | 2019<br>£        | £                       |
|----------------------------------------------------------------|-------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets</b>                                            |       |                  |                         |                  |                         |
| Tangible assets                                                | 4     |                  | 2,024                   |                  | 2,532                   |
| Investment properties                                          | 5     |                  | 3,900,000               |                  | -                       |
|                                                                |       |                  | <u>3,902,024</u>        |                  | <u>2,532</u>            |
| <b>Current assets</b>                                          |       |                  |                         |                  |                         |
| Debtors                                                        | 6     | 1,153,637        |                         | 2,256,480        |                         |
| Cash at bank and in hand                                       |       | 26,207           |                         | 22,527           |                         |
|                                                                |       | <u>1,179,844</u> |                         | <u>2,279,007</u> |                         |
| <b>Creditors: amounts falling due within one year</b>          | 7     | (82,261)         |                         | (8,298)          |                         |
| <b>Net current assets</b>                                      |       |                  | <u>1,097,583</u>        |                  | <u>2,270,709</u>        |
| <b>Total assets less current liabilities</b>                   |       |                  | <u>4,999,607</u>        |                  | <u>2,273,241</u>        |
| <b>Creditors: amounts falling due after more than one year</b> | 8     | (2,960,100)      |                         |                  | -                       |
| <b>Net assets</b>                                              |       |                  | <u><u>2,039,507</u></u> |                  | <u><u>2,273,241</u></u> |
| <b>Capital and reserves</b>                                    |       |                  |                         |                  |                         |
| Called up share capital                                        | 9     |                  | 1                       |                  | 1                       |
| Other reserves                                                 | 10    |                  | (141,532)               |                  | -                       |
| Profit and loss reserves                                       | 10    |                  | 2,181,038               |                  | 2,273,240               |
| <b>Total equity</b>                                            |       |                  | <u><u>2,039,507</u></u> |                  | <u><u>2,273,241</u></u> |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 26/2/21 and are signed on its behalf by:

.....  
R Stott  
Director

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

#### Company information

Kexgill (Durham) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 13 Salmon Grove, Hull, East Yorkshire, England, HU6 7SX.

#### Accounting convention

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

The company adopted the amendments to FRS 102 published in the Triennial Review 2017. The reported financial position and financial performance for the previous period are not affected by the application of the FRS 102 Triennial Review 2017.

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Kexgill Limited. These consolidated financial statements are available from its registered office, 13 Salmon Grove, Hull, East Yorkshire, England, HU6 7SX.

#### Going concern

As described in the directors' report, the company's activities have been impacted by the global COVID-19 pandemic during and subsequent to the year end.

The directors are of the opinion that the company has sufficient resource to continue as a going concern during and after the COVID-19 pandemic. The directors have assessed the impact of the pandemic on the company by revisiting and revising cash flow forecasts and hence have taken appropriate steps to mitigate the impact of COVID-19 on the company's trading activity and cash flows. The directors have also taken into consideration the support available from the government during the pandemic. They therefore believe the company has adequate resources available to meet its liabilities as they fall due allowing the company to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements.

Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for rental services provided in the normal course of business.

Turnover is recognised at the start of each academic term and most tenancy agreements are dated to coincide with the company's year end. Any tenancy agreements which continue past the company's year end are apportioned based on the length of the tenancy with amounts relating to the following financial year being treated as deferred income.

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies (Continued)

#### **Tangible fixed assets**

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

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

|                               |             |
|-------------------------------|-------------|
| Office and computer equipment | 20% on cost |
|-------------------------------|-------------|

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

#### **Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### **Impairment of fixed assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies (Continued)

#### ***Basic financial assets***

Basic financial assets, which include trade and other debtors, amounts due from group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### ***Classification of financial liabilities***

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

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

#### ***Equity instruments***

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

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For investment properties measured at fair value deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies (Continued)

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2019 - 5).

### 3 Other gains and losses

|                                                    | 2020<br>£ | 2019<br>£ |
|----------------------------------------------------|-----------|-----------|
| <b>Fair value gains/(losses)</b>                   |           |           |
| Changes in the fair value of investment properties | (174,988) | -         |

### 4 Tangible fixed assets

|                                    | Plant and<br>machinery<br>etc<br>£ |
|------------------------------------|------------------------------------|
| <b>Cost</b>                        |                                    |
| At 1 July 2019 and 30 June 2020    | 16,050                             |
| <b>Depreciation and impairment</b> |                                    |
| At 1 July 2019                     | 13,518                             |
| Depreciation charged in the year   | 508                                |
| At 30 June 2020                    | 14,026                             |
| <b>Carrying amount</b>             |                                    |
| At 30 June 2020                    | 2,024                              |
| At 30 June 2019                    | 2,532                              |

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 5 Investment property

|                   | 2020<br>£         |
|-------------------|-------------------|
| <b>Fair value</b> |                   |
| At 1 July 2019    | -                 |
| Additions         | 4,074,988         |
| Revaluations      | (174,988)         |
|                   | <u>          </u> |
| At 30 June 2020   | <u>3,900,000</u>  |

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 June 2020 by one of the company's directors, Mr R Stott, who is a chartered surveyor. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

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

|                          | 2020<br>£         | 2019<br>£         |
|--------------------------|-------------------|-------------------|
| Cost                     | 4,074,988         | -                 |
| Accumulated depreciation | -                 | -                 |
|                          | <u>          </u> | <u>          </u> |
| Carrying amount          | <u>4,074,988</u>  | <u>-</u>          |

### 6 Debtors

|                                             | 2020<br>£        | 2019<br>£        |
|---------------------------------------------|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 23,369           | 7,841            |
| Corporation tax recoverable                 | 17,839           | -                |
| Amounts owed by group undertakings          | 1,023,060        | 1,831,441        |
| Other debtors                               | 50,462           | 411,747          |
|                                             | <u>1,114,730</u> | <u>2,251,029</u> |

|                                                      | 2020<br>£        | 2019<br>£        |
|------------------------------------------------------|------------------|------------------|
| <b>Amounts falling due after more than one year:</b> |                  |                  |
| Deferred tax asset                                   | <u>38,907</u>    | <u>5,451</u>     |
| <b>Total debtors</b>                                 | <u>1,153,637</u> | <u>2,256,480</u> |

# KEXGILL (DURHAM) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 7 Creditors: amounts falling due within one year

|                 | 2020<br>£     | 2019<br>£    |
|-----------------|---------------|--------------|
| Trade creditors | 13,870        | -            |
| Other creditors | 68,391        | 8,298        |
|                 | <u>82,261</u> | <u>8,298</u> |

### 8 Creditors: amounts falling due after more than one year

|                           | 2020<br>£ | 2019<br>£ |
|---------------------------|-----------|-----------|
| Bank loans and overdrafts | 2,960,100 | -         |

Bank loans are secured by unlimited cross guarantees on all group companies and properties in which the loans relate to.

Creditors which fall due after five years are as follows:

|                                   | 2020<br>£ | 2019<br>£ |
|-----------------------------------|-----------|-----------|
| Payable other than by instalments | 2,960,100 | -         |

### 9 Called up share capital

|                                                                                 | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------------------------------------|-----------|-----------|
| Ordinary share capital<br>Issued and fully paid<br>1 Ordinary shares of £1 each | 1         | 1         |
|                                                                                 | <u>1</u>  | <u>1</u>  |

### 10 Reserves

#### Profit and loss reserves

The profit and loss reserve records the cumulative profit and loss net of distribution to shareholders.

#### Other reserves

The other reserve records the fair value movements on investment properties held.

### 11 Parent company

The smallest and largest group in which the company's results are consolidated is that of Kexgill Limited. Kexgill Limited financial statements are available from it's registered office, 13 Salmon Grove, Hull, East Yorkshire, England, HU6 7SX.

# **KEXGILL (DURHAM) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

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### **12 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Peter Adams FCA.

The auditor was RSM UK Audit LLP.