

Kexgill (Durham) Limited

Financial Statements for the Year Ended 30 June 2025

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

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for the year ended 30 June 2025**

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Kexgill (Durham) Limited

**Company Information
for the year ended 30 June 2025**

DIRECTORS:

Dr M H S Lee
R Stott
S E G Dent
S W S Lee
T Fang

SECRETARY:

Mrs N A Fitzpatrick

REGISTERED OFFICE:

13 Salmon Grove
Hull
East Yorkshire
HU6 7SX

REGISTERED NUMBER:

04568310 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Balance Sheet
30 June 2025

	Notes	2025 £	£	2024 £	£
FIXED ASSETS					
Investment property	4		4,000,000		4,200,000
CURRENT ASSETS					
Debtors	5	295,840		494,529	
Cash at bank		26,270		34,415	
		322,110		528,944	
CREDITORS					
Amounts falling due within one year	6	42,440		32,767	
NET CURRENT ASSETS			279,670		496,177
TOTAL ASSETS LESS CURRENT LIABILITIES			4,279,670		4,696,177
CREDITORS					
Amounts falling due after more than one year	7		2,960,100		2,960,100
NET ASSETS			1,319,570		1,736,077
CAPITAL AND RESERVES					
Called up share capital			1		1
Other reserves	9		-		93,967
Retained earnings	9		1,319,569		1,642,109
			1,319,570		1,736,077

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2026 and were signed on its behalf by:

R Stott - Director

**Notes to the Financial Statements
for the year ended 30 June 2025**

1. STATUTORY INFORMATION

Kexgill (Durham) 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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

The company owns and operates Investment Properties as part of the Kexgill Limited group of companies. The company has reported a loss in the year. The Directors have obtained written confirmation of parental support and having satisfied themselves that the parent company can provide such support for a period of at least twelve months from the date of approval of these financial statements, continue to adopt the going concern basis of accounting.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the rental services provided in the normal course of business, and is shown net of VAT where appropriate.

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

**Notes to the Financial Statements - continued
for the year ended 30 June 2025**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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 date. Changes in fair value are recognised in profit or loss.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

**Notes to the Financial Statements - continued
for the year ended 30 June 2025**

2. ACCOUNTING POLICIES - continued

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.

Basic financial assets

Basic financial assets, which include trade 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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, bank loans and amounts due to fellow group companies, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

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

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

**Notes to the Financial Statements - continued
for the year ended 30 June 2025**

2. ACCOUNTING POLICIES - continued

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.

Going concern

Post year end, the company has sold its remaining investment property for proceeds of £4.0m which have been utilised to settle the outstanding borrowings. The company continues to receive support from its parent company and written confirmation of this has been obtained covering the going concern assessment period to March 2027. Consequently, the Directors have prepared these financial statements on the going concern basis of accounting.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2024 - 3) .

4. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2024	4,200,000
Revaluations	(200,000)
At 30 June 2025	<u>4,000,000</u>
NET BOOK VALUE	
At 30 June 2025	<u>4,000,000</u>
At 30 June 2024	<u>4,200,000</u>

The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 June 2025 by various qualified independent valuers and 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.

Fair value at 30 June 2025 is represented by:

	£
Valuation in 2025	<u>4,000,000</u>

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

	2025 £	2024 £
Cost	<u>4,074,988</u>	<u>4,074,988</u>

**Notes to the Financial Statements - continued
for the year ended 30 June 2025**

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Amounts owed by group undertakings	192,181	380,897
Other debtors	-	53,492
Deferred tax asset	82,435	32,998
Prepayments and accrued income	21,224	27,142
	<u>295,840</u>	<u>494,529</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	2,023	7,399
Other creditors	40,417	25,368
	<u>42,440</u>	<u>32,767</u>

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

	2025	2024
	£	£
Bank loans	<u>2,960,100</u>	<u>2,960,100</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more than 5 years	<u>-</u>	<u>2,960,100</u>

8. SECURED DEBTS

The following secured debts are included within creditors:

	2025	2024
	£	£
Bank loans	<u>2,960,100</u>	<u>2,960,100</u>

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

9. 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 net of deferred tax.

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Matthew Fox F.C.C.A (Senior Statutory Auditor)
for and on behalf of Smailes Goldie

**Notes to the Financial Statements - continued
for the year ended 30 June 2025**

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

A director of the company provided a personal guarantee in respect of certain company bank loans totalling £2,960,100 (2024 £2,960,100).

12. POST BALANCE SHEET EVENTS

Subsequent to the reporting date, the Company disposed of a property for total consideration of £4.0 million. This transaction relates to conditions arising after the reporting date and is therefore treated as a non-adjusting event.

Accordingly, no adjustment has been made to the financial statements for the year ended 2025.

13. ULTIMATE CONTROLLING PARTY

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.

The ultimate controlling party is Dr M Lee.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.