

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

COMPANY INFORMATION

Directors	A J Blevins D A Petty J J West N D M Smith (appointed 3 February 2020) P D Weston (appointed 27 November 2020) J V Harrison (resigned 27 November 2020) E S Roche (resigned 4 February 2020)
Registered number	03540322
Registered office	Prologis House Blythe Gate Blythe Valley Park Solihull B90 8AH
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

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KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Principal activity

The company was incorporated to manage and maintain the common parts of the residential estate at Kings Hill, West Malling. The company has continued this activity during the year.

Results and dividends

The loss for the year, after taxation, amounted to £197,426 (2019: profit £27,686).

The directors did not recommend the payment of a final dividend (2019: £Nil).

Directors

The directors who served during the year are stated on the company information page.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



A J Blevins
Director

Date: 18 August 2021

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

Opinion

We have audited the financial statements of Kings Hill Residential Estate Management Company Limited ('the company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 is 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 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 company or to cease operations, or have no realistic alternative but to do so.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED (CONTINUED)

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to, compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year and post year end;
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions with management and tests of controls;
- obtaining an understanding of the company's risk assessment process, including the risk of fraud; designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including sample testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

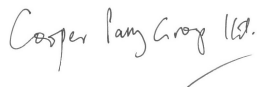
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGS HILL RESIDENTIAL ESTATE
MANAGEMENT COMPANY LIMITED (CONTINUED)**

Use of our report

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 an auditor's report 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.



Elisa Howe (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 18 August 2021

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	1.3	541,317	597,008
Cost of sales		(596,646)	(427,038)
		<hr/>	<hr/>
Gross (loss)/profit		(55,329)	169,970
Administrative expenses		(143,118)	(147,658)
		<hr/>	<hr/>
Operating (loss)/profit		(198,447)	22,312
Bank interest receivable		1,260	6,634
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(197,187)	28,946
Taxation on (loss)/profit on ordinary activities		(239)	(1,260)
		<hr/>	<hr/>
(Loss)/profit for the financial year		<u>(197,426)</u>	<u>27,686</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 9 to 13 form part of these financial statements.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED
REGISTERED NUMBER: 03540322

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £	2019 £
Current assets				
Debtors	3	158,004	81,509	
Cash at bank and in hand		714,834	1,019,480	
		872,838	1,100,989	
Creditors: amounts falling due within one year	4	(88,873)	(119,634)	
Net current assets			783,965	981,355
Net assets			783,965	981,355
Capital and reserves				
Called up share capital	5		2,052	2,016
Profit and loss account	6		781,913	979,339
Shareholders' funds			783,965	981,355

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A J Blevins
 Director

Date: 18 August 2021

The notes on pages 9 to 13 form part of these financial statements.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

Kings Hill Residential Estate Management Company Limited is a limited liability company. The company is domiciled in the United Kingdom and incorporated in England and Wales. The address of its registered office is disclosed on the company information page.

The financial statements are presented in Sterling (£). The financial statements are for the year ended 31 December 2020 (2019: year ended 31 December 2019).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland including Section 1A of FRS 102 and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

At the balance sheet date the company had a positive cash balance and was in a net asset position.

At the time of signing these financial statements, the directors have considered the ongoing effects of Coronavirus on the going concern basis and consider that the company will continue to trade for a period of at least 12 months from the date of signing these financial statements, due to the group support available.

The ultimate controlling party has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make available such funds as are needed by the company.

The budgets prepared by the directors show that the company will be able to operate within the facilities available to it. On that basis, the directors have prepared these financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.5 Taxation

The tax charge for the year comprises of current tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Current tax is recognised in the profit and loss account, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Employees

The company has no employees other than the directors, who did not receive any remuneration (2019: £Nil). The directors consider that their role for the business is inconsequential to that of their role for the wider group.

3. Debtors

	2020	2019
	£	£
Trade debtors	101,387	40,539
Other debtors	6,068	5,484
VAT recoverable	50,549	35,486
	<u>158,004</u>	<u>81,509</u>

4. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	29,453	43,381
Amounts owed to group undertakings	-	30,957
Corporation tax	1,499	1,260
Accruals and deferred income	57,921	44,036
	<u>88,873</u>	<u>119,634</u>

The amount owed to group undertakings are interest free and repayable on demand.

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,050 (2019: 2,014) 'A' Ordinary shares of £1 each	2,050	2,014
2 'B' Ordinary shares of £1 each	2	2
	<hr/>	<hr/>
	2,052	2,016
	<hr/> <hr/>	<hr/> <hr/>

Share capital represents the nominal value of shares in issue.

During the year, 36 'A' Ordinary shares (2019: 68) were issued to residents at Kings Hill, with an aggregate nominal value of £36 (2019: £68).

'B' Ordinary shares carry the exclusive right to attend and vote at meetings.

'A' Ordinary shares are issued to any person acquiring a 'residential unit' at Kings Hill, in the proportion of one 'A' Ordinary share per 'residential unit'.

The company's Memorandum of Association does not allow it to transfer its surpluses to its members by way of a dividend or any other distribution. On a winding up, any property remaining after satisfaction of all its debts and liabilities shall be transferred to another body having similar objects to the company.

The rights of the classes of shareholders will vary as the Kings Hill site becomes developed further. Details of the circumstances under which the shareholders' rights will change are given in the company's Articles of Association.

6. Reserves

Share capital

The share capital represents the nominal value of shares that have been issued.

Profit and loss account

The profit and loss account includes all current and prior periods' retained profits and losses.

7. Related party transactions

During the year, management fees of £121,520 (2019: £76,814) were charged by Liberty Property Trust UK Limited, a company which is a direct subsidiary of Liberty Property Limited Partnership. Amounts due to Liberty Property Trust UK Limited as at 31 December 2020 were £Nil (2019: £30,957).

KINGS HILL RESIDENTIAL ESTATE MANAGEMENT COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Controlling party

The company's immediate parent undertaking, by virtue of owning all of the 'B' Ordinary shares, is Rouse Kent (Residential) Limited, a company registered in England and Wales.

On 4 February 2020, Prologis Inc. acquired Liberty Property Trust, resulting in a change in the ultimate controlling party.

As at 31 December 2020, the ultimate controlling party was Prologis Inc., a real estate investment trust, whose registered address is Pier 1, Bay 2, San Francisco, California 94111, United States of America.