

**KEY PROPERTIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2022**



## **KEY PROPERTIES LIMITED**

### **COMPANY INFORMATION**

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#### **DIRECTORS**

C Nike  
K Vickers

#### **SECRETARY**

S J Hebborn

#### **COMPANY NUMBER**

00931738

#### **REGISTERED OFFICE**

Jubilee House  
John Nike Way  
Bracknell  
Berkshire  
RG12 8TN

#### **AUDITOR**

RSM UK Audit LLP  
Chartered Accountants  
Third Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

## **KEY PROPERTIES LIMITED**

### **DIRECTORS' REPORT**

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The directors present their annual report and the financial statements of Key Properties Limited (Company Registration No. 00931738) for the year ended 30 April 2022.

#### **Principal activity**

The principal activities of the company during the year were the letting of developed property and sale of land.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C J Nike  
K T Vickers

#### **Results and dividends**

The company profit for the year after taxation was £2,897,480 (2021: £1,956,188 loss).

The directors do not recommend payment of a dividend on the shares for the year and the profit has been taken to reserves.

#### **Statement of directors' responsibilities**

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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 group and 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.

## KEY PROPERTIES LIMITED

### DIRECTORS' REPORT (Continued)

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#### Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office and a resolution concerning their reappointment will be passed at the Annual General Meeting.

#### Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors have also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

By order of the board:



Director KATHRYN VICKERS

11<sup>th</sup> OCTOBER 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY PROPERTIES LIMITED**

### **Opinion**

We have audited the financial statements of Key Properties Limited (the 'company') for the year ended 30 April 2022 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

### **Emphasis of matter – Uncertainty with respect to investment property valuations**

The group's investment properties are held at a directors' valuation of £4.0m (2021: £3.1m). The increase in value recognised in these financial statements arises as a result of the part reclassification of a property with mixed use and to the extension of an existing lease. Also reflected is the directors' slightly more optimistic outlook since the end of the COVID - 19 pandemic. However, due to the circumstances prevalent in the economic environment caused by inflationary pressures, rising interest rates and other macroeconomic factors, the directors are unable to predict the full extent of the impact on the carrying value of investment property. Consequently, less certainty and a higher degree of caution should be attached to the value of investment property at 30 April 2022. The ultimate outcome of the matter cannot presently be determined and no adjustments to the value of investment property that may result have been made in these financial statements. Our opinion is not modified in respect of this matter.

### **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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY PROPERTIES LIMITED (CONTINUED)**

### **Opinions 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 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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY PROPERTIES LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

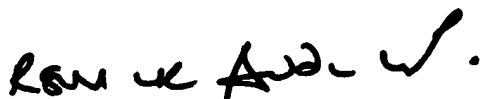
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

### 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.



COLIN ROBERTS FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Third Floor, One London Square  
Cross Lanes, Guildford  
Surrey, GU1 1UN

12<sup>th</sup> October 2022

**KEY PROPERTIES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 APRIL 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	2	1,162,541	840,140
Cost of sales		(7,000)	(295,002)
<b>Gross profit</b>		<u>1,155,541</u>	<u>545,138</u>
Other operating expenses		(1,642,077)	(1,710,193)
Profit on disposal of fixed assets		2,752,798	-
Write back/ (provision) against related party loans		993,953	(982,649)
<b>Operating profit/(loss)</b>		<u>3,260,215</u>	<u>(2,147,704)</u>
Interest receivable and similar income	3	-	570
Fair value gain on investment properties		699,506	-
<b>Profit/(loss) before taxation</b>	4	<u>3,959,721</u>	<u>(2,147,134)</u>
Taxation	6	(1,062,241)	190,946
<b>Profit/(loss) after taxation</b>		<u>2,897,480</u>	<u>(1,956,188)</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>2,897,480</u></u>	<u><u>(1,956,188)</u></u>



## STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	7	22,713,143	23,101,217
<b>Current assets</b>			
Stocks	9	1,078,480	1,085,165
Debtors due within one year	10	2,041,197	1,977,019
Cash		4,167,129	229,039
		<u>7,286,806</u>	<u>3,291,223</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(5,080,658)	(5,257,784)
<b>Net current assets/liabilities</b>		<u>2,206,148</u>	<u>(1,966,561)</u>
<b>Total assets less current liabilities</b>		<u>24,919,291</u>	<u>23,134,656</u>
<b>Provisions for liabilities</b>	12	(2,117,679)	(1,230,524)
<b>Net assets</b>		<u>22,801,612</u>	<u>19,904,132</u>
<b>Capital and reserves</b>			
Called up share capital	13	3,000	3,000
Profit and loss account	13	22,798,612	19,901,132
<b>Total equity</b>		<u>22,801,612</u>	<u>19,904,132</u>

The financial statements on pages 7 to 20 were approved by the board of directors and authorised for issue on 2022 and are signed on its behalf by:



Director KATHRYN VICKERS

11<sup>th</sup> OCTOBER 2022

**KEY PROPERTIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 APRIL 2022**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
Balance at 1 May 2020	3,000	21,857,320	21,860,320
Total comprehensive income for the financial year	-	(1,956,188)	(1,956,188)
Balance at 30 April 2021	<u>3,000</u>	<u>19,901,132</u>	<u>19,904,132</u>
Total comprehensive income for the financial year	-	2,897,480	2,897,480
<b>Balance at 30 April 2022</b>	<u><b>3,000</b></u>	<u><b>22,798,612</b></u>	<u><b>22,801,612</b></u>

# KEY PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1. Accounting policies

##### General information

Key Properties Limited ("the Company") is a private company limited by shares, and registered, domiciled and incorporated in England.

The address of the company's registered office and principal place of business is Jubilee House, John Nike Way, Bracknell, Berkshire, RG12 8TN. The Company's principal activities during the year were the letting of developed property and the development and construction of industrial, commercial and residential properties.

#### 1.1 Basis of accounting

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, including the provisions of the Large and Medium-sized Companies and Groups (Accountants and Reports) Regulations 2008 and under the historical cost convention.

With effect from 1 May 2019 the company has adopted the amendments to FRS 102 published in the Triennial Review 2017.

Under the triennial review, an accounting policy choice was introduced, specifically in relation to investment property rented to another group entity. Entities are now allowed to choose to measure such properties at cost (less depreciation and impairment). In previous years, in respect of the properties rented to group entities, the directors believed that depreciated historic cost was not materially different to fair value. Therefore, there has been no change in the treatment of these properties and they continue to be held at historic cost less accumulated depreciation.

There are no other adjustments to the current or comparative period in relation to this amendment.

#### 1.2 Reduced disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Nike Land Securities Limited. The consolidated financial statements of Nike Land Securities Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 1.3 Going concern

The directors have prepared and reviewed cash flow forecasts for the group and company for the next 12 months from the date of approval of the financial statements, and to be able to meet its liabilities as they fall due. Based on these forecasts, and given the levels of cash reserves the directors have a reasonable expectation that the group and company have adequate financial resources to continue its operations for the foreseeable future, as a minimum for a period of at least 12 months from the date of approval of these financial statements, and to be able to meet its liabilities as they fall due.

## KEY PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1.4 Functional and presentational currency

The financial statements are presented in sterling which is also the functional currency of the Company.

#### 1.5 Turnover

Turnover represents rental income on assets leased under operating leases and is recognised on a straight-line basis over the lease term. Turnover from the sale of the property stock is recognised at the fair value of the consideration received or receivable in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

#### 1.6 Tangible fixed assets and investment properties

Properties used in the group's wider business are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on these properties (excluding the land element) at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Plant, fixtures and fittings	10 years
Leisuresport complexes	10 to 50 years
Phoenix Business Park	50 years
Hotels & Other	10 to 50 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Investment properties represent property assets rented in third parties. In accordance with FRS 102, investment properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in profit or loss.

#### 1.7 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

#### 1.8 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

## **KEY PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **FOR THE YEAR ENDED 30 APRIL 2022**

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#### **1.9 Stocks**

Stocks of development properties and undeveloped land are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost of finished goods and work in progress includes overheads appropriate to the stage of completion.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

#### **1.10 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 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.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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 a net basis or to realise the asset and settle the liability simultaneously.

#### **1.11 Leases**

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

## KEY PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 30 APRIL 2022

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#### 1.12 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ***Financial assets***

###### ***Debtors***

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

##### ***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments 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.

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

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

###### ***Creditors***

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

###### ***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

##### ***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## KEY PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 30 APRIL 2022

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##### 1.13 Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

###### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

###### *Valuation of investment properties*

Estimates are made in respect of determining the carrying value of investment properties which are stated at fair value. The directors have valued the company's investment properties having regard to local market conditions and market yields (see notes 8 and 9). However, the valuation of the company's investment property is inherently subjective as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

###### *Deferred tax*

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised, and liabilities will be settled, and estimates to the timing of those future events and as to the future tax rates where applicable.

## 2. Turnover

An analysis of the Company's turnover by class of business is as follows:

	2022 £	2021 £
Continuing operations:		
Property sales	219,833	150,315
Rent receivable	924,436	635,724
Other income	18,272	54,101
	<u>1,162,541</u>	<u>840,140</u>

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

**KEY PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 30 APRIL 2022**

**3. Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest arising on:		
Bank deposits	..	570
Other	-	-
	<u>-</u>	<u>570</u>
	<u>-</u>	<u>570</u>

**4. Profit/(loss) before taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation of tangible assets	356,530	396,859
Provision against intragroup loans	(993,953)	982,649
Auditor's remuneration	13,000	7,500
Profit on disposal of fixed assets	(2,752,798)	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**5. Employees and directors**

There were no employees during the year other than the directors. The directors are remunerated by the related party Nike Land Securities Limited and the cost is recharged to the company via a management charge. This management charge, which amounted to £1,203,465 (2021: £1,203,465) also includes a recharge of administration costs borne by Nike Land Securities Limited on behalf of the company and it is not possible to identify separately the amount that relates to the director's remuneration.

**6. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK Corporation tax	-	(29,485)
Payment in respect of group relief	206,659	-
Adjustment in respect of prior periods	(31,573)	-
<b>Total current tax</b>	<u>175,086</u>	<u>(29,485)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	361,380	(161,461)
Effect of increased tax rate on opening liability	508,243	-
Adjustment in respect of prior periods	17,532	-
<b>Total deferred tax</b>	<u>887,155</u>	<u>(161,461)</u>
<b>Total tax charge/ (credit)</b>	<u>1,062,241</u>	<u>(190,946)</u>



# KEY PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 30 APRIL 2022

#### 6. Taxation (continued)

	2022 £	2021 £
Factors affecting tax charge for the year		
Profit/(Loss) before taxation	3,959,721	(2,147,134)
Profit/(Loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2021: 19%)	752,347	(407,955)
Effects of:		
Non-deductible expenses	-	174,622
Expenses not deductible for tax purposes	1,270	2,215
Income not taxable	(321,758)	-
Amounts relating to changes in tax rates	508,243	-
Adjustments to brought forward values	-	(7,085)
Adjustments to previous periods	(31,573)	-
Transfer pricing adjustment	-	-
Effect in change in deferred tax rate	-	-
Fixed asset differences	(485,283)	47,257
Chargeable gains/(losses)	627,706	-
Other tax adjustments	(6,243)	-
Adjustments to previous periods – deferred tax	17,532	-
<b>Tax expense/(credit)</b>	<b>1,062,241</b>	<b>(190,946)</b>

In the March 2021 Budget, the UK Government announced that legislation would be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. The legislation received Royal Assent on 10 June 2021 and became Finance Act 2021.

In September 2022 the Government announced the expected withdrawal of the uplift in corporation tax rate to 25%. As a result the 'Amounts relating to changes in tax rate' element of the charge noted above is expected to reverse in the coming year.

KEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 30 APRIL 2022

7. Tangible fixed assets

	<i>Phoenix Business Park</i> £	<i>Leisuresport complexes</i> £	<i>Hotels &amp; other</i> £	<i>Investment properties</i> £	<i>Other equipment</i> £	<i>Total</i> £
<b>Cost/valuation</b>						
1 May 2021	1,151,284	8,742,009	21,207,539	3,100,000	2,592,611	36,793,443
Revaluation	-	-	-	699,506	-	699,506
Additions	-	-	1,338,771	-	-	1,338,771
Disposals	-	(5,644,227)	-	-	-	(5,644,227)
Transfers	-	-	(284,436)	200,494	-	(83,942)
30 April 2022	1,151,284	3,097,782	22,261,874	4,000,000	2,592,611	33,103,551
<b>Depreciation:</b>						
1 May 2021	666,704	5,950,109	4,482,802	-	2,592,611	13,692,226
Charge for the year	23,026	49,168	284,303	-	-	356,497
Disposals	-	(3,574,373)	-	-	-	(3,574,373)
Transfers	-	-	(83,942)	-	-	(83,942)
30 April 2022	689,730	2,424,904	4,683,163	-	2,592,611	10,390,408
<b>Net book value:</b>						
<b>30 April 2022</b>	<b>461,554</b>	<b>672,878</b>	<b>17,578,711</b>	<b>4,000,000</b>	<b>-</b>	<b>22,713,143</b>
30 April 2021	484,580	2,791,900	16,724,737	3,100,000	-	23,101,217

The depreciation charge for the year is included in administration expenses.

Land and premises, included within the hotels & other category of tangible fixed assets, with a net book value of £417,000 at 30 April 2022 is pledged as security against a retired director's pension payments by way of a fixed charge.

**KEY PROPERTIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 2022****8. Investment properties**

The historic cost of the investment properties is £2,516,050 (2021: £2,231,614).

Investment property represents the group's freehold interest in commercial buildings in Bracknell, Berkshire which are rented to third party tenants and the externally rented element of a mixed used property in Newport, Wales.

*Tenure of land and buildings*

Leasehold properties included within tangible fixed assets at the following net book values:

	<b>2022</b> £	2021 £
Long leasehold	323,149	347,403

The directors have valued the investment property at 30 April 2022 with reference to local market conditions, market yields and the leases currently in place. The increase in value recognised in these financial statements arises due to the part the reclassification of a mixed use property and to the extension of an existing lease. Also reflected is the directors' slightly more optimistic outlook since the end of the COVID-19 pandemic. However, due to the economic uncertainty caused by inflationary pressures, rising interest rates and other macroeconomic factors, the directors are unable to predict the full extent of the impact on the carrying value of investment property. Consequently, less certainty and a higher degree of caution should be attached to the value of investment property at 30 April 2022.

**9. Stocks**

	<b>2022</b> £	2021 £
Work in progress	1,078,480	1,085,165

Work in progress relates to property held for development purposes.

These properties are valued at significantly in excess of carrying value.

**10. Debtors**

	<b>2022</b> £	2021 £
Amounts falling due within one year:		
Trade debtors	8,180	3,380
Amounts owed by group undertakings	1,825,824	1,918,778
Corporation tax recoverable	61,060	29,485
Other tax and social security costs	139,244	25,376
Prepayments and accrued income	6,889	-
	<u>2,041,197</u>	<u>1,977,019</u>

**KEY PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 30 APRIL 2022**

**11. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	35,877	36,287
Amounts due to group undertaking	4,929,362	5,113,761
Accruals and deferred income	114,642	106,959
Other creditors	777	777
	<u>5,080,658</u>	<u>5,257,784</u>

Amounts due to group undertakings are non-interest bearing and all shown as falling due within one year as there are no formal agreements in place to defer payment. However, it is not anticipated that these group balances will be called unless sufficient funds are available to enable repayment to be made.

The company is a wholly owned subsidiary of Nike Land Securities Limited ("the group").

**12. Provisions for liabilities**

	<b>Deferred tax liability</b>
At 1 May 2021	1,230,524
Profit and loss account	378,912
Effect of change in tax rate	508,243
At 30 April 2022	<u>2,117,679</u>

**The deferred tax liability is made up as follows:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	2,117,679	1,423,649
Losses and other deductions	-	(193,125)
	<u>2,117,679</u>	<u>1,230,524</u>

**KEY PROPERTIES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 30 APRIL 2022****13. Share capital and reserves**

<b>Share capital</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Allotted, called up and fully paid 3,000 ordinary shares of £1 each	3,000	3,000

*Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, carry the right to one vote at general meetings of the Company.

**Reserves**

Reserves of the Company represent the following:

*Retained earnings*

Cumulative profit and loss net of distributions to owners.

**14. Financial commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

**As a lessor:**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due:		
Within one year	931,267	629,186
Between one and five years	1,692,140	1,453,155
After five years	2,342,884	2,419,649
	<u>4,966,291</u>	<u>4,501,990</u>

**15. Capital commitments and other contractual obligations**

At the year end, the company was committed to making capital purchases in respect of plant and equipment. The total amount contracted for but not provided in the financial statements was £613,101 (2021: £nil).

**16. Related party transactions**

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

**17. Control**

The immediate and ultimate parent company is Nike Land Securities Limited, a company incorporated in the United Kingdom. The ultimate controlling parties of Nike Land Securities are Christopher Nike and Kathryn Vickers. The consolidated financial statements of Nike Land Securities are available from its registered office, Jubilee House, John Nike Way, Bracknell, Berkshire, RG12 8TN.