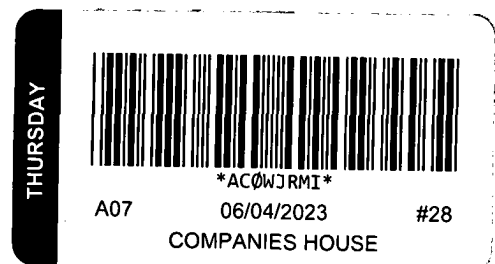


KINGERLEE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



KINGERLEE HOLDINGS LIMITED

COMPANY INFORMATION

Directors

D L Arekion
D H Kingerlee
S J Marsh
D J Warlow
R J Wilsdon
A R Woodward

Company secretary

D H Kingerlee

Registered number

00984588

Registered office

Thomas House
Langford Locks
Kidlington
Oxfordshire
OX5 1HR

Independent auditor

James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
OX2 9GG

KINGERLEE HOLDINGS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 5
Directors' Report	6 - 7
Independent Auditor's Report	8 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12 - 13
Company Statement of Financial Position	14 - 15
Consolidated Statement of Changes in Equity	16
Company Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18 - 19
Notes to the Financial Statements	20 - 41

KINGERLEE HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The objectives of this report are to provide shareholders and other users of these statements:

- with the appropriate level of background context for these financial statements;
- with an analysis of the Group's past performance; and
- insight into the Group's main objectives and strategies, the principal risks it faces and how they might affect future prospects.

Business review

Kingerlee Holdings Limited is a holding company coordinating the activities of subsidiaries primarily engaged in the business of construction and speculative property developments. Additionally, the Group maintains portfolios of properties and listed investments.

Operating within a 75 mile radius of Oxford, the Group undertakes projects with values ranging up to £40m, with a particular focus on the following sectors:

- Universities
- Local authority and public/private schools
- High quality private houses
- Healthcare and research
- Leisure
- Public buildings, including churches and museums
- Commercial and residential developments

The Group also has a joinery division which specialises in the design, manufacture, supply and fitting of bespoke high quality joinery.

During the year, with comparatives shown for the year ended 31 December 2021, the Group generated:

- Turnover of £59.3m (2021: £43.3m)
- Profit for the financial year of £429k (2021: £946k)

Turnover increased by 37% compared to the prior year, with strong growth across the leisure, education and private housing sectors in particular.

The Group has already secured a strong order book for 2023, with a further significant increase in turnover forecast beyond 2022 levels. Despite the higher turnover in 2022 there was a reduction in profitability, due to the challenging economic environment in place throughout the year.

Objectives and strategies

The Group's main business objective is to deliver sustainable, responsible and profitable business growth.

The Group's vision is to be the contractor of choice providing high quality and sustainable construction and development projects for our customers and the society that we live in.

Our values are:

- Caring - safety and wellbeing is our highest priority
- Family - maintain the family culture built up over five generations
- Teamwork - delivering high quality performance
- Dynamic - an innovative, collaborative and energetic approach
- Engaged - with our people, customers, supply chain and community

KINGERLEE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The Group has a risk management process in place to identify and effectively manage risk across the business. The following principal risks have been identified that may have an impact on the Group and its operations:

- Attracting, developing and retaining experienced, competent, motivated and talented employees – the business is constantly reviewing policies in this area, to improve our effectiveness in managing this risk.
- Availability of reliable and skilled subcontractors - these are all vetted to ensure they meet our requirements for their ability to deliver on time, financial stability, quality, health and safety, and environmental impact.
- Our reputation as a safe construction business - we recognise our need to ensure safe working conditions for our employees, subcontractors and the public. The Group has a comprehensive framework in place to manage health and safety and has an in-house health, safety and environmental specialist who regularly reviews our policies and provides training and site inspections. A behavioural safety approach has been launched to continue to improve our safety performance.
- Project related risks - the commercial risk we take on each project will depend on the nature and complexity of the works, the duration of the project, the credit risks and the contractual terms under which the work is carried out. In order to manage these risks we have a rigorous approach to project selection to ensure that the works we undertake match our capabilities and resources, that the contractual terms are acceptable and that the projects are approved by the appropriate level of management. The Group has a proactive and non-adversarial approach that aims to avert conflict before disputes have an opportunity to develop.

Financial risk management

Exposure to credit and interest rate risks arise in the normal course of the Group's business.

The Group's credit risk is attributable to its trade receivables. The amounts presented in the consolidated Statement of Financial Position are net of any allowance for doubtful debtors, based on prior experience and assessment of specific circumstances by the Directors. In order to manage credit risk the Directors make an assessment of each potential client, with third party credit checks being carried out where appropriate.

The Group seeks to manage cash flow risk by preparing rolling forecasts of income and expenditure over the short and long term. An overdraft facility is maintained to provide flexibility when required. Given the size of the Company's operations, the relative costs of managing exposure to interest rate risk are considered to exceed any potential benefits.

Financial key performance indicators

The Group operates in a low margin/high risk sector. Consequently, its most important financial performance indicators are turnover, gross margin and net margin. These are monitored on a regular basis, as are the underlying performance of each project and development.

Turnover grew by 37% compared to the previous financial year, due to further phases of work being awarded on a significant leisure project in addition to an increase in the average value of new projects secured. Although administrative expenses increased 8% on the previous year, this was less than the percentage growth in turnover.

KINGERLEE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Recruitment and employee relations

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or gender. Appropriate consideration is given to disabled applicants in offering employment.

The Directors seek to establish an environment in which the ambitions and expectations of all employees are actively encouraged and properly rewarded.

Environmental policies

The Group is committed to being a leader in advancing environmental and sustainability standards and processes in the construction sector. We aim to improve management processes by the implementation of a Waste Management Plan on each project and, where possible, source materials from sustainable supplies, reduce transport cost and generally apply high standards of management to ensure the effective use of all resources.

The systems of the construction subsidiary, Kingerlee Limited, are certified as being BS EN ISO 14001:2015 compliant.

Safety

The health and safety management system of Kingerlee Limited has achieved certification to both the standards required of BS ISO 45001:2018 and Safety Schemes in Procurement.

Quality management system

Kingerlee Limited obtained ISO 9001:2015 accreditation in January 2020, demonstrating the robustness of its systems as well as to seek to build in continuous improvements reviews.

KINGERLEE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' statement of compliance with duty to promote the success of the Group

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of its decisions in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

Corporate Governance

The Group maintains a corporate governance framework of a Kingerlee Holdings Board, and then Leadership Team (LT) and Senior Management Teams (SMT) for each of the subsidiary companies to operate strategic and management decision making. The Board and LT are committed to a robust culture of governance, conduct and ethics reflecting the values of the Kingerlee Group. Decisions are made considering the impact on the long term business strategy and considering the impact to multiple Stakeholders.

Kingerlee culture

Kingerlee has a strong core area of operation in Oxford and the surrounding counties and proudly employs a diverse workforce and supply chain across a wide range of project types. Our people and clients sit at the heart of our strategy, and our teams work with a unified focus to share our expertise in helping our clients to build for a better society. We continue to respond to the changing needs and expectations our people have of the modern workplace and remain committed to providing a great experience for them, where their talents are recognised and nurtured while supporting their overall wellbeing. Kingerlee has been built up over 155 years with a family spirit, which is still a cornerstone of our business culture. We have strong company values, which play a key role in guiding how we do business and with the introduction of ever improving communication platforms it is becoming easier for our people to connect and collaborate with one another, wherever they might work.

Our Stakeholders

Employees

Kingerlee operates a series of initiatives focused on employee engagement, development, information and consultation. Our Employee Focus Group includes a cross-section of volunteers who discuss, debate and feedback on areas which affect our people – the LT then reacts to this feedback. We instigate regular staff briefings either in-person, online or via email and social media. All staff have 1:1 meetings with line managers and have individual development plans. Employee engagement and wellbeing is paramount to the success of the business. Kingerlee undertake a continuous employment engagement programme including performance, training and skills development. We positively promote diversity in all areas of the business and support the health and wellbeing of all our staff. We undertake regular surveys to provide meaningful feedback from employees across the business and respond accordingly. We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect. It is our policy to ensure that all employees are treated no less favourably on the grounds of disability and are not subject to unlawful discrimination. This policy applies to all aspects of employment including recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Through its policies, the Group ensures that entry into, and progression within, the Group is based solely on personal ability and competence to meet set job criteria. The Group ensures that all our employment policies, practices and procedures are accessible for disabled people.

Suppliers and Outsourced arrangements

We outsource activity across our operations and undertake due diligence, oversight and regular engagement with all supply chain providers. A significant majority of our revenue is carried out by our supply chain and so our relationships with them are critically important. In a very competitive industry, we have a long established reputation for fair and prompt payment. We are developing how we engage with our supply chain and have in place a "Charter" where all parties commit to work collectively. Developing key strategic partnerships with our outsource partners has given us the ability to continue to grow and expand our portfolio of activity.

KINGERLEE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Clients

Our clients vary from individuals to corporate institutions such as the University of Oxford. Our relationships with these very different types of client are varied by nature. We have very structured relationships including a position on two frameworks with regular formal engagement and reporting. We also need to be able to react positively and professionally to our clients who are individuals. This requires an adaptable and flexible approach across the business which has been developed over many years. We also have longstanding relationships with many of the Oxford College estates teams where we obtain repeat work. Our business prides itself on understanding the differing needs of this diverse client base.

Regulators & others

The Group operates within the building industry and complies with such regulatory matters as the Health & Safety at Work Act, the Building Regulations etc. We also regularly have to comply with contractual obligations such as the need to achieve Passivhaus Certification, BREEAM and NHBC certification. Our teams obtain training and continuing professional development to ensure that they are at the forefront of the requirements of these obligations. We also engage closely with trade bodies such as the House Building Federation, the Chartered Institute of Building and the Royal Institute of Chartered Surveyors and encourage staff membership of such bodies.

Shareholders

The Group is owned by a number of private individuals with no majority shareholding, reflecting the dilution of interests as holdings have been passed down from generation to generation. The Group remains a family-owned business and this continues to drive the family culture of the Group which is valued highly by employees and other stakeholders.

Environment

The construction industry has an important role to play in reducing our carbon emissions. Kingerlee remains committed to supporting the aims of our industry and government and ensuring that we drive improvements in environmental and ethical practices throughout our own supply chain and activity. We are focusing on continuous opportunities to improve our sustainability efforts, ranging from the reduction of plastic waste to how we can maximise the use of technology to reduce the need for travelling between offices. We have embarked upon the production of an ESG policy and way of working which will further lift our performance in this important area.

Community & the environment

We believe that we do not have to choose between making meaningful change and running a successful business. We want to be more than just a profitable company or market leader and we measure our success by the impact we have on those around us. We make sure our actions and decisions are guided by our values and always push ourselves and our wider networks to treat people fairly and operate in a socially, environmentally and economically sustainable way. We know the passion and dedication of our team can make a real difference to causes we care about. Giving back to our local communities through charitable giving and volunteering is playing an ever more important role at Kingerlee. The money raised by our people for a good cause is matched by Kingerlee. We know that giving time can be just as valuable as money so we also provide one day of paid leave for those who wish to contribute their time and talents to recognised charities, causes or not-for-profit organisations. We have strong links with local schools, colleges and universities and attend open days and hold career events for local schools which involves direct engagement with young people to let them sample what a great industry construction is.

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



.....
D H Kingerlee
Director

Date: 28 March 2023

KINGERLEE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Directors

The Directors who served during the year were:

D L Arekion
D H Kingerlee
S J Marsh
D J Warlow
R J Wilsdon
A R Woodward

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £429,000 (2021 - £946,000).

The Directors have not recommended a dividend for 2022 (2021 - £287,500).

Future developments

Information in respect of future developments are disclosed in the Group Strategic Report.

KINGERLEE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

In February 2023, Highcroft plc, an associate entity of Kingerlee Holdings Limited, disposed of a property. The gross proceeds of the sale that would be recognised in the 2023 financial statements of the Group was £2,147,000 . At 31 December 2022, the Group's interest in the property was included in its consolidated balance sheet at a valuation of £1,846,000.

Auditor

The auditor, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
D H Kingerlee
Director

Date: 28 March 2023

KINGERLEE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGERLEE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Kingerlee Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity 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 Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Group's or the parent 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.

KINGERLEE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGERLEE HOLDINGS LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

KINGERLEE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KINGERLEE HOLDINGS 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 Group financial statements.

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.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of Board meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including 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;
- Liaising with and enquiry of the auditors of the associated entity, Highcroft Investments Plc.

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.

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.



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

OX2 9GG

Date: 28 March 2023

KINGERLEE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	59,339	43,298
Cost of sales		(55,310)	(38,750)
Gross profit		4,029	4,548
Administrative expenses		(4,602)	(4,268)
Other operating income	5	178	44
Operating (loss)/profit	6	(395)	324
Income from fixed assets investments		894	821
Interest receivable and similar income	10	36	6
Interest payable and similar expenses	11	(42)	(31)
Profit before taxation		493	1,120
Tax on profit	12	(64)	(174)
Profit for the financial year		429	946
Share of associate's unrealised (deficit)/surplus on revaluation of investment properties and revaluation of investments		(2,140)	1,727
Share of associate's realised surplus in capital reserve		-	171
Other comprehensive (loss)/income for the year		(2,140)	1,898
Total comprehensive (loss)/income for the year		(1,711)	2,844
Profit for the year attributable to:			
Owners of the parent Company		429	946
Total comprehensive income for the year attributable to:			
Owners of the parent Company		(1,711)	2,844

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED
REGISTERED NUMBER: 00984588

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	2,183	2,229
Investments	16	15,848	17,760
		<u>18,031</u>	<u>19,989</u>
Current assets			
Stocks	17	7,125	8,269
Debtors	18	8,626	7,552
Cash at bank and in hand	19	7,416	2,696
		<u>23,167</u>	<u>18,517</u>
Creditors: amounts falling due within one year	20	(14,573)	(10,461)
Net current assets		<u>8,594</u>	<u>8,056</u>
Total assets less current liabilities		<u>26,625</u>	<u>28,045</u>
Creditors: amounts falling due after more than one year	21	(912)	(315)
Provisions for liabilities			
Other provisions	26	(889)	(927)
		<u>(889)</u>	<u>(927)</u>
Net assets		<u><u>24,824</u></u>	<u><u>26,803</u></u>
Capital and reserves			
Called up share capital	27	36	29
Share premium account	28	41	28
Revaluation reserve	28	2,347	4,487
Other reserves	28	5,979	5,979
Profit and loss account	28	16,421	16,280
Equity attributable to owners of the parent Company		<u><u>24,824</u></u>	<u><u>26,803</u></u>

KINGERLEE HOLDINGS LIMITED
REGISTERED NUMBER: 00984588

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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



.....
D H Kingerlee
Director

Date: 28 March 2023

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED
REGISTERED NUMBER: 00984588

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	1,665	1,697
Investments	16	99	99
		<u>1,764</u>	<u>1,796</u>
Current assets			
Debtors	18	2,984	3,345
Cash at bank and in hand	19	10	53
		<u>2,994</u>	<u>3,398</u>
Creditors: amounts falling due within one year	20	(1,053)	(1,653)
Net current assets		<u>1,941</u>	<u>1,745</u>
Total assets less current liabilities		<u>3,705</u>	<u>3,541</u>
Creditors: amounts falling due after more than one year	21	(320)	-
Net assets		<u><u>3,385</u></u>	<u><u>3,541</u></u>
Capital and reserves			
Called up share capital	27	36	29
Share premium account	28	41	28
Other reserves	28	1,279	1,279
Profit and loss account brought forward		2,205	2,252
Profit for the year		112	356
Other changes in the profit and loss account		(288)	(403)
Profit and loss account carried forward		<u>2,029</u>	<u>2,205</u>
		<u><u>3,385</u></u>	<u><u>3,541</u></u>

KINGERLEE HOLDINGS LIMITED
REGISTERED NUMBER: 00984588

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

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



D H Kingerlee
Director

Date: 28 March 2023

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2022	29	28	4,487	5,979	16,280	26,803
Comprehensive income for the year						
Profit for the year	-	-	-	-	429	429
Share of associate's unrealised surplus on revaluation of investment properties and revaluation of investments	-	-	(2,140)	-	-	(2,140)
Dividends: Equity capital	-	-	-	-	(288)	(288)
Shares issued during the year (net of issue costs)	7	13	-	-	-	20
At 31 December 2022	36	41	2,347	5,979	16,421	24,824

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2021	29	28	2,760	5,808	15,737	24,362
Comprehensive income for the year						
Profit for the year	-	-	-	-	946	946
Share of associate's unrealised surplus on revaluation of investment properties and revaluation of investments	-	-	1,727	-	-	1,727
Movement on other reserves	-	-	-	171	-	171
Dividends: Equity capital	-	-	-	-	(403)	(403)
At 31 December 2021	29	28	4,487	5,979	16,280	26,803

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2022	29	28	1,279	2,205	3,541
Comprehensive income for the year					
Profit for the year	-	-	-	112	112
Dividends: Equity capital	-	-	-	(288)	(288)
Shares issued during the year (net of issue costs)	7	13	-	-	20
At 31 December 2022	36	41	1,279	2,029	3,385

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	29	28	1,279	2,252	3,588
Comprehensive income for the year					
Profit for the year	-	-	-	356	356
Dividends: Equity capital	-	-	-	(403)	(403)
At 31 December 2021	29	28	1,279	2,205	3,541

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Cash flows from operating activities		
Profit for the financial year	429	946
Adjustments for:		
Depreciation of tangible assets	259	233
(Profit) on disposal of tangible assets	(25)	(50)
Interest paid	42	31
Interest received	(36)	(6)
Taxation charge	64	174
Decrease/(increase) in stocks	1,144	(2,173)
(Increase) in debtors	(1,073)	(2,284)
Increase in creditors	4,736	1,319
(Decrease)/increase in provisions	(40)	188
Corporation tax (paid)	(138)	(266)
Net cash generated from operating activities	5,362	(1,888)
Cash flows from investing activities		
Purchase of tangible fixed assets	(220)	(223)
Proceeds from sale of tangible fixed assets	32	64
Purchase of investments in associate	(122)	-
Interest received	36	6
Dividends received	788	817
Income from interests in associated undertakings	(894)	(821)
Net cash from investing activities	(380)	(157)
Cash flows from financing activities		
Issue of ordinary shares, net of issue costs	20	-
Repayment of loans	(80)	(80)
New/(repayment of) finance leases	128	(100)
Dividends paid	(288)	(403)
Interest paid	(42)	(31)
Net cash used in financing activities	(262)	(614)

KINGERLEE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Net increase/(decrease) in cash and cash equivalents	4,720	(2,659)
Cash and cash equivalents at beginning of year	2,696	5,355
Cash and cash equivalents at the end of year	7,416	2,696
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,416	2,696
	7,416	2,696

The notes on pages 20 to 41 form part of these financial statements.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Kingerlee Holdings Limited is a private company limited by shares incorporated and domiciled in England and Wales. The address of the registered office is Thomas House, Langford Locks, Kidlington, Oxfordshire, OX5 1HR. The registered number of the Company is 00984588.

The principal activity of the Company is that of a holding company. The principal activities of the Group are the trade of construction and speculative property development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pounds Sterling and are rounded to the nearest thousand pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

In the year to 31 December 2022, the Group made a profit of £429,000 (2021: £946,000), had net assets at 31 December 2022 of £24,824,000 (2021: £26,803,000) and cash and cash equivalents at 31 December 2022 of £7,416,000 (2021: £2,696,000).

The Directors have considered the ability of the Group and Company to continue as a going concern. A very strong order book has been secured for 2023, with significant growth forecast from the 2022 turnover realised. The Directors have prepared cash flow forecasts for the Group and Company for a period covering more than 12 months from the date of their approval of these financial statements. The Directors have reviewed the assumptions made in respect of the timing of completion of ongoing projects and of new projects to be secured. Based on these forecasts, the Directors consider that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis in preparing these financial statements.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Associates and joint ventures

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from construction work is recognised based on the certified valuation of work in progress on contracts between the beginning and end of the year.

Revenue from the sale or exchange of properties during the year but not completed until after the year-end is recognised if contractual completion takes place within three months of the year end. No turnover is recognised on non-contractual reservations and any reservation deposits are included in creditors.

2.7 Investment property

The investment property is leased to other group companies and so in the Consolidated Statement of Financial Position is classified as Freehold Property and has, therefore, been recognised at historic cost less accumulated depreciation. Investment property is depreciated over its useful economic life of 50 years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 50 years
Plant and machinery	- 4 - 10 years
Motor vehicles	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Development land and property and developments in progress are stated at the lower of cost and net realisable value. Cost consists of land, direct materials, direct labour and subcontractors and attributable overheads.

In the case of raw materials and consumable stores, cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis. In the case of short-term work in progress, cost consists of direct materials, direct labour and attributable overheads. The amount of work in progress has been reduced by progress payments.

Net realisable value means estimated selling price (less trade discounts) less all further costs to complete and all costs to be incurred in marketing and selling.

Profit on long-term contract work in progress is accounted for once the outcome of a contract can be assessed with reasonable certainty and is based on stage of completion of the contract.

Costs incurred to carry out work on long-term contracts are matched with long-term contract work included in turnover. Where costs cannot be matched with contract work accounted for as turnover, such amounts are included in stock.

Provision is made for foreseeable losses on all contracts based on the loss which is currently estimated to arise over the duration of any contract, irrespective of the amount of work carried out at the reporting date.

Ground rents arise where the Group retains long term freehold interest in a development. The capital value is calculated to be the equivalent of five times the annual ground rent receivable.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Lease and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.20 Interest income

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

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.22 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included below.

Critical judgements that management have made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relate to the following:

Long-term contract balances

In assessing long-term contract work, foreseeable losses are provided for over the whole duration of a project irrespective of the amount of work carried out at the reporting date. The future realisation of these losses may be affected by future outcomes on these projects.

Provisions

In recognising provisions, the Group evaluates the extent to which it is probable that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Deferred tax assets

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future taxable profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Group's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

Stocks and work in progress

Management estimates the net realisable value of stocks and work in progress, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by market-driven changes that may reduce future selling prices.

Tangible fixed assets

Management provide for depreciation on tangible fixed assets over the asset's useful economic lives after taking their residual values into account. The residual value is estimated on the basis of amounts expected to be received on disposal of the asset after deducting the estimated costs of disposal. Management assesses the useful lives of assets based on past experience with similar assets.

Associate

The Group holds a shareholding of 27.3% in Highcroft Investments Plc and accounts for this associate under the equity method. The determination of Highcroft Investments Plc as an associate of Kingerlee Holdings Limited requires management to make judgements on the ability of the Group to participate in the financial and operating policy decisions of Highcroft Investments Plc.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Construction income	55,279	38,173
Sale of land/property	4,060	5,125
	<u>59,339</u>	<u>43,298</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Other operating income	164	29
Net rents receivable	14	15
	<u>178</u>	<u>44</u>

6. Operating (loss)/profit

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

	2022 £000	2021 £000
Depreciation of tangible fixed assets - owned assets	168	148
Depreciation of tangible fixed assets - finance leases	91	85
Other operating lease rentals	84	49
Profit on sale of fixed assets	(25)	(50)
	<u></u>	<u></u>

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2022 £000	2021 £000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>40</u>	<u>35</u>
Fees payable to the Group's auditor in respect of:		
All other services	<u>12</u>	<u>9</u>

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000
Wages and salaries	7,328	6,299
Social security costs	890	734
Cost of defined contribution scheme	861	707
	9,079	7,740

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

	2022 No.	2021 No.
Administration	30	26
Production	108	112
	138	138

9. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	461	489
Directors' pension costs	54	62
	515	551

During the year retirement benefits were accruing to 3 Directors (2021 - 3) in respect of defined contribution pension schemes.

The Group's highest paid Director received remuneration of £205,000 (2021 - £215,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £25,000 (2021 - £24,000).

10. Interest receivable

	2022 £000	2021 £000
Other interest receivable	36	6

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Interest payable and similar expenses

	2022 £000	2021 £000
Bank interest payable	42	31

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	65	186
	65	186
Total current tax	65	186
Deferred tax		
Origination and reversal of timing differences	(1)	(12)
Total deferred tax	(1)	(12)
Taxation on profit on ordinary activities	64	174

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	493	1,120
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	94	213
Effects of:		
Other differences leading to a decrease in the tax charge	(30)	(25)
Change in deferred tax	-	(14)
Total tax charge for the year	64	174

KINGERLEE HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)

Factors that may affect future tax charges

The Group has tax losses available for set off against future profits of the same trade of approximately £1,335,000 (2021: £1,341,000).

The main rate of corporation tax will rise from 19% to 25% from 1 April 2023. On this basis deferred tax is provided at the future rate of 25%.

13. Dividends

	2022	2021
	£000	£000
Equity dividends paid in the year	288	403

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £112,000 (2021 - £356,000).

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

Group

	Freehold and investment property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 January 2022	2,573	2,712	571	5,856
Additions	-	49	171	220
Disposals	-	(266)	(78)	(344)
At 31 December 2022	2,573	2,495	664	5,732
Depreciation				
At 1 January 2022	858	2,361	408	3,627
Charge for the year on owned assets	43	119	97	259
Disposals	-	(259)	(78)	(337)
At 31 December 2022	901	2,221	427	3,549
Net book value				
At 31 December 2022	1,672	274	237	2,183
At 31 December 2021	1,715	351	163	2,229

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	2021 £000
Motor vehicles	229	149
	<u>229</u>	<u>149</u>

Company

	Freehold property £000	Plant and machinery £000	Total £000
Cost or valuation			
At 1 January 2022	2,418	768	3,186
At 31 December 2022	<u>2,418</u>	<u>768</u>	<u>3,186</u>
Depreciation			
At 1 January 2022	721	768	1,489
Charge for the year on owned assets	32	-	32
At 31 December 2022	<u>753</u>	<u>768</u>	<u>1,521</u>
Net book value			
At 31 December 2022	<u>1,665</u>	<u>-</u>	<u>1,665</u>
At 31 December 2021	<u>1,697</u>	<u>-</u>	<u>1,697</u>

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Fixed asset investments

Group

	Investments in associates £000
Cost or valuation	
At 1 January 2022	17,760
Share of profit/(loss)	(1,912)
At 31 December 2022	<u>15,848</u>

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	99
At 31 December 2022	<u>99</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
T. H. Kingerlee & Sons Limited	Property development	Ordinary	100%
Kingerlee Limited	Building and contracting	Ordinary	100%
Kingerlee Homes Limited	Property development	Ordinary	100%
Arnold Developments Limited	Dormant	Ordinary	100%
Statmite Limited	Dormant	Ordinary	100%
NBT Fired Clay Limited	Dormant	Ordinary	100%

The registered office of each subsidiary company is the same as that of Kingerlee Holdings Limited and is disclosed on the Company Information page.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

16. Fixed asset investments (continued)

Associate

The following was an associate of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Highcroft Investments PLC	Park Farm Technology Centre, Akeman Street, Kirtlington, Oxfordshire, OX5 3JQ	Investment and property holding	Ordinary	27.3%

17. Stocks

	Group 2022 £000	Group 2021 £000
Raw materials and consumables	110	110
Development property	6,948	8,088
Ground rents	67	71
	<u>7,125</u>	<u>8,269</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

18. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Due after more than one year				
Trade debtors	885	517	-	-
Due within one year				
Trade debtors	4,535	3,906	-	-
Amounts owed by group undertakings	-	-	2,983	3,343
Other debtors	-	41	-	-
Prepayments and accrued income	529	421	-	-
Amounts recoverable on long-term contracts	2,425	2,416	-	-
Deferred taxation	252	251	1	2
	8,626	7,552	2,984	3,345

Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

19. Cash and cash equivalents

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	7,416	2,696	10	53

20. Creditors: Amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	80	480	80	480
Trade creditors	3,433	4,092	-	-
Amounts owed to group undertakings	-	-	-	144
Corporation tax	40	114	2	92
Other taxation and social security	1,992	843	-	-
Obligations under finance lease and hire purchase contracts	68	19	-	-
Other creditors	1,076	956	922	839
Accruals and deferred income	7,884	3,957	49	98
	14,573	10,461	1,053	1,653

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

21. Creditors: Amounts falling due after more than one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Bank loans	320	-	320	-
Net obligations under finance leases and hire purchase contracts	83	4	-	-
Retention owed to subcontractors	509	311	-	-
	<u>912</u>	<u>315</u>	<u>320</u>	<u>-</u>

Kingerlee Holdings Limited has a term loan with Handelsbanken of £400,000 (2021: £480,000) secured by a charge over Thomas House and by a fixed and floating charge over the assets of the Company. The interest rate is 2.75% above Base Rate and this loan is repayable by 26 October 2027.

During the year ended 31 December 2022, Kingerlee Holdings Limited secured a new bank facility of £1,100,000. The Company had not drawn down on this facility by 31 December 2022. The bank loan is to be secured by a charge over Thomas House and by a fixed and floating charge over the assets of the Company. The interest rate is 2.75% above Base Rate and the loan facility is repayable by 26 October 2027.

Kingerlee Limited has a bank overdraft facility with Handelsbanken of £750,000 secured against Thomas House and by a fixed and floating charge over the assets of the Company. The interest rate on overdrawn balances is chargeable at 3.0% per annum over Handelsbanken base rate.

22. Loans

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Amounts falling due within one year				
Bank loans	80	480	80	480
Amounts falling due 1-5 years				
Bank loans	320	-	320	-
	<u>400</u>	<u>480</u>	<u>400</u>	<u>480</u>

See note 21 for further details on loans.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £000	Group 2021 £000
Within one year	68	19
Between 1-5 years	83	4
	151	23

24. Financial instruments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets				
Cash at bank and in hand	7,416	2,696	10	53
Financial assets that are debt instruments measured at amortised cost	5,420	4,464	2,983	3,343
Financial liabilities				
Financial liabilities measured at amortised cost	13,453	9,819	1,371	1,561

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, amounts owed to group undertakings, finance lease liabilities, accruals and retentions owed to subcontractors.

25. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	251	239
Charged to profit or loss	1	12
At end of year	252	251

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

25. Deferred taxation (continued)

Company

	2022 £000	2021 £000
At beginning of year	2	2
Credited to profit or loss	(1)	-
At end of year	1	2

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Accelerated capital allowances	1	2	1	2
Tax losses carried forward	251	249	-	-
	252	251	1	2

26. Provisions

Group

	Provisions £000
At 1 January 2022	927
Charged to profit or loss	469
Utilised in year	(507)
At 31 December 2022	889

Included in provisions above is a warranty provision for expected construction defect claims on construction works performed during the last four financial years and another provision in relation to a dispute. It is expected that all expenditure will be incurred within three years of the date of the Consolidated Statement of Financial Position.

The Group has not disclosed further information in relation to the other provision as the Directors consider it to be prejudicial in accordance with Section 21.17 of FRS 102.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

27. Share capital

	2022 £000	2021 £000
Authorised		
57,500 (2021 : 62,500) Ordinary shares of £0.50 each	29	31
14,375 (2021 : nil) A Ordinary shares of £0.50 each	7	-
	<u>36</u>	<u>31</u>
Allotted, called up and fully paid		
57,500 (2021 : 57,500) Ordinary shares of £0.50 each	29	29
14,375 (2021 : nil) A Ordinary shares of £0.50 each	7	-
	<u>36</u>	<u>29</u>

On 30 August 2022, the Company allotted 14,375 A Ordinary shares of £0.50 each for a total consideration before expenses of £45,000.

Ordinary shares entitle each holder to one vote per share and entitlement to dividends and other distributions.

A Ordinary shares entitle each holder to participate in a capital distribution but do not carry voting or dividend distribution rights.

28. Reserves

Share premium account

Includes any premiums received over and above the nominal value on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Includes all gains and losses arising from revaluation. This reserve is non-distributable.

Other reserves

Other reserves represent Kingerlee Holdings Limited's share of the realised capital reserve of Highcroft Investments PLC and a capital redemption reserve.

Profit and loss account

The profit and loss account includes all current and prior period profits and losses.

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

29. Contingent liabilities

The Group has entered into performance bonds in the ordinary course of business with a total value of £2,826,000 at 31 December 2022 (2020: £1,598,000). The Group has never had a bond called and the Directors' opinion is that no liability is expected to arise in respect of the current bonds.

During the year ended 31 December 2019, the Group was notified of a potential claim from a former client. The value of the potential claim is not reliably measurable and the Directors refute the basis of the claim. The amount being claimed is expected to be material to the financial statements.

30. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £861,000 (2021: £707,000). Contributions totalling £79,000 (2021: £68,000) were payable to the fund at the reporting date and are included in creditors.

31. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £000	Group 2021 £000
Not later than 1 year	94	55
Later than 1 year and not later than 5 years	81	73
	175	128

KINGERLEE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

32. Related party transactions

The Group owns 27.3% (2021: 27.2%) of the ordinary share capital of Highcroft Investments PLC. During the year, the Group received investment income totalling £788,000 (2021: £817,000) from Highcroft Investments PLC.

Highcroft Investments PLC made purchases amounting to £Nil (2021: £1,000) from Kingerlee Limited during the year in respect of rent and office services. As at 31 December 2022, no amounts were owed to Kingerlee Limited by Highcroft Investments PLC (2021: £Nil).

Included within creditors for the Group and Company are balances totalling £905,000 (2021: £808,000) due to Directors and other members of their families. These amounts are unsecured, interest bearing at a rate of 2.50% and have no fixed date of repayment.

Included within creditors for the Group and Company are balances totalling £15,000 (2021: £15,000) due to a company controlled by a common Director. This amount is unsecured, interest bearing at a rate of 2.50% and have no fixed date of repayment.

During the year ended 31 December 2022, the Group made sales to Directors and immediate family members totalling £12,000 (2021: £11,000). Total amounts receivable at 31 December 2022 in respect of sales to Group directors and immediate family members were £Nil (2021: £Nil).

Key management personnel consists of the Directors of Kingerlee Holdings Limited, Kingerlee Limited and Kingerlee Homes Limited. Total remuneration in respect of key management personnel for the year ended 31 December 2022 was £1,318,000 (2021: £1,311,000).

On 30 August 2022, the Company allotted 14,375 A Ordinary shares of £0.50 each for a total consideration before expenses of £45,000 to three Directors.

The Group and Company have taken advantage of the optional exemption under FRS 102 Section 33 to not disclose transactions with other wholly-owned members of the Group on the grounds that the consolidated financial statements are publicly available.

33. Post balance sheet events

In February 2023, Highcroft plc, an associate entity of Kingerlee Holdings Limited, disposed of a property. The gross proceeds of the sale that would be recognised in the 2023 financial statements of the Group was £2,147,000. At 31 December 2022, the Group's interest in the property was included in its consolidated balance sheet at a valuation of £1,846,000.

34. Controlling party

The ultimate controlling parties of the Company are its shareholders.