

KRF Management Limited

REPORT AND FINANCIAL STATEMENTS

31 July 2018



Company Registration No. 3749715 (England & Wales)

KRF Management Limited

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KRF Management Limited

DIRECTORS AND ADVISORS

DIRECTORS

Wilmington Trust SP Services (London) Limited
Daniel Wynne
Andreas Demosthenous – Resigned 1 March 2018
Eileen Hughes – Appointed 1 March 2018

REGISTERED OFFICE

Third Floor
1 King's Arms Yard
London
EC2R 7AF

BANKERS

HSBC Bank plc
18a, Curzon Street
London
W1J 7LA

AUDITORS

Moore Stephens LLP
150 Aldersgate Street
London
EC1A 4AB

SECRETARY

Wilmington Trust SP Services (London) Limited

KRF Management Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of KRF Management Limited for the year ended 31 July 2018.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the provision of management services to its parent company Keele Residential Funding plc. For the period to 31st July 2018, the company achieved total income of £95,553 (2017: £92,079) and the result for the period was a profit of £12,794 (2017: £12,209). Net assets as at 31 July 2018 were £33,584 (2017: £20,790).

No dividend was proposed or paid (2017: £Nil).

GOING CONCERN

The directors confirm that they are satisfied that the company has adequate resources to continue in business for the foreseeable future. For this reason they have adopted the going concern basis in preparing these accounts.

POLITICAL AND CHARITABLE DONATIONS

During the period the company made no political or charitable donations.

DIRECTORS

The following directors have held office during the year:

Wilmington Trust SP Services (London) Limited
Daniel Wynne
Andreas Demosthenous – Resigned 1 March 2018
Eileen Hughes – Appointed 1 March 2018

AUDIT INFORMATION

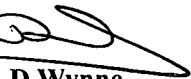
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

AUDITORS

A resolution to reappoint Moore Stephens LLP, Chartered Accountants & Registered Auditors, as auditors will be put to the members at the Annual General Meeting.

By order of the board



D Wynne
On behalf of Wilmington Trust SP Services (London) Ltd
Director
Third Floor
1 King's Arms Yard
London
EC2R 7AF

November 2018

KRF Management Limited

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 International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law. The financial statements must, in accordance with IFRS as adopted by the European Union, present fairly the financial position and performance of the company; such references in the UK Companies Act 2006 to such financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



D Wynne
On behalf of Wilmington Trust SP Services (London) Ltd
Director

November 2018

KRF Management Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KRF MANAGEMENT LIMITED

Opinion

We have audited the financial statements of KRF Management Limited (the 'company') for the year ended 31 July 2018 which comprise the income statement, balance sheet, cash flow statement, statement of changes in shareholders equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KRF Management Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KRF MANAGEMENT LIMITED

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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities Statement set out on page 3, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils 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

KRF Management Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KRF MANAGEMENT
LIMITED

company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Sheppard
Kelly Sheppard, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

29 November 2018

KRF Management Limited

INCOME STATEMENT

For the year ended 31st July 2018

	Note	2018 £	2017 £
CONTINUING OPERATIONS			
REVENUE	4	95,553	92,079
Fees payable		<u>(66,632)</u>	<u>(64,209)</u>
Gross Profit		28,921	27,870
Administration expenses		<u>(16,127)</u>	<u>(15,661)</u>
PROFIT FROM OPERATIONS	5	12,794	12,209
Finance income		<u>-</u>	<u>-</u>
PROFIT BEFORE TAX		12,794	12,209
Taxation on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		12,794	12,209
TOTAL COMPREHENSIVE INCOME		<u>12,794</u>	<u>12,209</u>
ATTRIBUTABLE TO:			
EQUITY HOLDERS OF THE COMPANY		<u>12,794</u>	<u>12,209</u>

No separate Statement of Other Comprehensive Income has been presented as all such gains and losses have been dealt with in the Income Statement.

KRF Management Limited

Registered Number - 3749715

BALANCE SHEET

At 31 July 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Cash and cash equivalents	8	48,128	24,861
TOTAL CURRENT ASSETS		48,128	24,861
CURRENT LIABILITIES			
Trade and other payables	9	(14,544)	(4,071)
TOTAL CURRENT LIABILITIES		(14,544)	(4,071)
NET ASSETS		33,584	20,790
EQUITY			
Share capital	11	2	2
Retained earnings	12	33,582	20,788
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS		33,584	20,790

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on November 2018 and were signed on its behalf by:



D Wynne

On behalf of Wilmington Trust SP Services (London) Ltd

Director

KRF Management Limited

CASH FLOW STATEMENT

For the year ended 31 July 2018

	Note	2018	2017
		£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		12,794	12,209
<i>OPERATING PROFIT BEFORE MOVEMENT IN WORKING CAPITAL</i>		12,794	12,209
Increase in trade and other payables		10,473	23
<i>CASH GENERATED BY OPERATIONS</i>		<u>23,267</u>	<u>12,232</u>
Income tax paid		-	-
<i>NET CASH FLOW FROM OPERATING ACTIVITIES</i>		<u>23,267</u>	<u>12,232</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	-
<i>NET CASH FLOW FROM FINANCING ACTIVITIES</i>		<u>23,267</u>	<u>12,232</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		23,267	12,232
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		24,861	12,629
CASH AND CASH EQUIVALENTS AT END OF YEAR	8	<u>48,128</u>	<u>24,861</u>

KRF Management Limited

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 July 2018

	Share capital £	Retained earnings £	Total £
At 31 July 2016	2	8,579	8,581
Total comprehensive income for the year	-	12,209	12,209
At 31 July 2017	2	20,788	20,790
Total comprehensive income for the year	-	12,794	12,794
At 31 July 2018	2	33,582	33,584

KRF Management Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

1. GENERAL INFORMATION

KRF Management Limited (“the company”) is incorporated and domiciled in England & Wales. The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The functional and presentational currency is pounds Sterling.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. STATEMENT OF COMPLIANCE

The financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU with the exception of those standards in issue but not in force. None of the new standards and amendments to standards that are mandatory for the first time for the financial year commencing 1 August 2017 affected any of the amounts recognised in the current period or any prior period.

New IFRSs endorsed by the EU that have not yet begun to be applied

IFRS 9 – Financial Instruments which is effective for accounting periods beginning on or after 1 January 2018 was endorsed by the EU on 22 November 2016. The standard is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities together with a new hedge accounting model. The standard is not expected to have a material impact on the Group’s results

IFRS 15 – Revenue from Contracts with Customers which is effective for accounting periods beginning on or after 1 January 2018 was endorsed by the EU on 22 September 2016 and replaces IAS 18 – Revenue and IAS 11 – Construction Contracts.

IFRS 16 – Leases which is effective for accounting periods beginning on or after 1 January 2019 was endorsed by the EU on 31 October 2017 sets out principles for the recognition, measurement, presentation and disclosure of leases. The standard eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration which is effective for accounting periods beginning on or after 1 January 2018 was endorsed by the EU on 28 March 2018.

While the details of the Group’s revenue policy will change as a result of adopting IFRS 15, the directors’ preliminary analysis indicates that the adoption of the standard will not impact on revenue recognition to any significant extent. The directors consider that none of the other EU adopted International Financial Reporting Standards (IFRSs) in issue but not in force at the balance sheet date will have a material impact on these financial statements.

New IFRSs not yet endorsed by the EU

The directors have also considered International Financial Reporting Standards (IFRSs) which have not been endorsed by the EU and which are in issue but not in force at the balance sheet date IFRS 17 – Insurance Contracts, and IFRIC 23 – Uncertainty Over Income Tax Treatments become effective for accounting periods to July 2022 and July 2020 respectively. The directors believe that the adoption of the aforementioned standards and interpretations will not have a significant impact on these financial statements.

2.2. BASIS OF PREPARATION

The financial statements are prepared on the historical cost basis.

KRF Management Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

2.3. REVENUE

Revenue is measured at the fair value of the consideration received or receivable and represents fees receivable in respect of the company's principal activity, net of discounts, VAT and other sales related taxes.

2.4. FINANCE COSTS

Interest payable is recognised in the income statement as it accrues, using the effective interest method.

2.5. FINANCE INCOME

Interest income is recognised in the income statement as it accrues, using the effective interest method.

2.6. TAXATION AND DEFERRED TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the asset can be utilised.

2.7. FINANCIAL ASSETS

Financial assets are initially measured at fair value plus transaction costs on the date that right to receive economic benefit becomes unconditional. Subsequent measurement is as follows:

2.7.1. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.7.2. Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash-flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and

KRF Management Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.8. FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS ISSUED BY THE COMPANY

2.8.1. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.8.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.8.3. Financial liabilities

Liabilities consist of trading accounts payable and other liabilities. Upon initial recognition, liabilities are stated at fair value including transaction costs. In the periods thereafter, liabilities are carried at amortised cost.

2.8.4. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expire.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no significant management estimates and assumptions required in the provision of the financial statements which warrant disclosure.

4. REVENUE

An analysis of the company's revenue is as follows:

	2018	2017
	£	£
<i>Continuing operations:</i>		
Fees for the provision of management services	95,553	92,079

5. PROFIT FROM OPERATIONS

Profit for the year has been arrived at after charging:

	2018	2017
	£	£
<i>Auditors' remuneration</i>		
Audit services		
- Statutory audit	3,000	2,500
- Taxation services	-	500
	3,000	3,000

No non-audit fees have been paid to the auditors in 2018.

KRF Management Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

6. STAFF COSTS

	2018	2017
The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:		
Head office and administration	<u>2</u>	<u>2</u>

Staff remuneration in the year ended 31 July 2018 amounted to £nil (2017 - £nil)

Key management and directors' remuneration

The key management of the company comprises the directors only. Their remuneration is paid by Wilmington Trust SP Services (London) Limited. KRF Management Limited pays Wilmington Trust SP Services (London) Limited for corporate services as disclosed in note 13 of the Financial Statements

7. INCOME TAX EXPENSE

	2018	2017
	£	£
<i>Recognised in the income statement:</i>		
Total current tax	-	-
Total deferred tax	-	-
Total tax expense in income statement	-	-
	<hr/>	<hr/>
<i>Reconciliation of effective tax rate</i>	2018	2017
	£	£
Profit before tax	<u>12,794</u>	<u>12,209</u>
Tax using the UK corporation tax rate of 19% (2017:18%)	2,430	2,198
EFFECT OF:		
Group relief	(2,430)	(2,198)
Total current tax charge and effective rate of tax	<hr/> - <hr/>	<hr/> - <hr/>

8. CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	<u>48,128</u>	<u>24,861</u>

KRF Management Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

9. TRADE AND OTHER PAYABLES

	2018	2017
	£	£
<i>Amounts falling due within one year:</i>		
Trade payables	11,032	-
Accruals and deferred income	3,036	3,036
Social Security and other taxes	476	1,035
	14,544	4,071

10. FINANCIAL INSTRUMENTS

10.1. CAPITAL RISK MANAGEMENT

The company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

10.2. SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

10.3. CATEGORIES OF FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

	2018	2017
	£	£
Loans and other receivables	-	-

FINANCIAL LIABILITIES

	2018	2017
	£	£
Loans and other payables	14,544	4,071

10.4. FINANCIAL RISK MANAGEMENT

The company's activities potentially expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risks, liquidity and interest rates. The company has in place risk management policies that seek to limit the adverse effects on the financial performance of the company by using various instruments and techniques. The directors do not believe that the company is subject to significant finance risk or market risk.

Risk management policies have been set by the Board and applied by the company.

10.4.1. Foreign exchange risk

The company does not enter into transactions or hold balances in foreign currencies and is therefore not exposed to foreign exchange risk.

10.4.2. Interest rate risk

The company operates an interest rate policy designed to minimise interest costs and reduce volatility in reported earnings. This policy is achieved by maintaining a target

KRF Management Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

range of fixed and floating rate debt as required for discrete annual periods, over a defined time horizon.

10.4.3. Credit risk

The company's financial assets are bank balances and cash, trade and other receivables, which represent the company's maximum exposure to credit risk in relation to financial assets.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

10.4.4. Liquidity risk

The company actively maintains facilities that are designed to ensure the company has sufficient funds for operations

10.5. ANALYSIS BY CURRENCY

Cash and cash equivalents

	2018 £	2017 £
Sterling	48,128	24,861

10.6. UNDRAWN COMMITTED BORROWING FACILITIES

At the year-end the company had no undrawn committed borrowing facilities (2017: Nil).

10.7. FAIR VALUE OF BORROWINGS AND CASH AND CASH EQUIVALENTS

The comparison of book and fair values of all the company's financial assets and liabilities at the period end is set out below:

	2018		2017	
	Book value £	Fair value £	Book value £	Fair value £
Cash at bank and in hand	48,128	48,128	24,861	24,861
Trade and other receivables	-	-	-	-
Trade and other payables	(14,544)	(14,544)	(4,071)	(4,071)
	33,584	33,584	20,790	20,790

The following methods and assumptions were used in estimating fair values for financial instruments:

Short-term borrowings, cash and deposits approximate to book value due to their short maturities.

KRF Management Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2018

11. SHARE CAPITAL

	Authorised Ordinary shares of £1 each
At beginning and end of the period	Number 10,000
	=====
	Allotted, called up and fully paid Ordinary shares of £1 each
At beginning and end of the period	Number 2
	=====

Each of the ordinary shares carries one vote per share and is entitled to dividends at the discretion of the directors. There are no restrictions on any of the shares.

12. RESERVES

Retained earnings records all current and prior period retained profits and losses.

13. RELATED PARTY TRANSACTIONS

During the year £95,553 (2017: £92,079) was charged to Keele Residential Funding plc for the provision of management services and also during the year Keele Residential Funding plc charged the company fees totalling £66,632 (2017: £64,209).

At the year end the company was owed £ Nil (2017: £ Nil) from Keele Residential Funding plc.

During the year £7,803 (2017: £7,519) was charged by the Wilmington Trust SP Services (London) Limited for the provision of corporate services. At the balance sheet date, a balance of £4,717 was due to Wilmington Trust SP Services (London) Limited. Wilmington Trust SP Services (London) Limited is a director of KRF Management Limited and Mr Wynne is a director of Wilmington Trust SP Services (London) Limited.

14. POST BALANCE SHEET EVENTS

There are no reportable post-balance sheet events.

15. CONTINGENT LIABILITIES

There are no contingent liabilities to report.

KRF Management Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2018

16. ULTIMATE CONTROLLING PARTY

The parent company is Keele Residential Funding plc which in turn is a wholly owned subsidiary of KRF Holdings Limited. Copies of the consolidated accounts can be obtained from Companies House Cardiff.

The ultimate controlling party is the Millslade Charitable Trust. The 'B' & 'C' Ordinary share capital of the ultimate parent company, KRF Holdings Limited, is held by Wilmington Trust SP Services (London) Limited, on trust for the benefit of the Millslade Charitable Trust, and these shares have specific rights attached which would define the trust as having ultimate control.