

# KRF Management Limited

## REPORT AND FINANCIAL STATEMENTS

31 July 2020



Company Registration No. 3749715 (England & Wales)

# KRF Management Limited

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# KRF Management Limited

## DIRECTORS AND ADVISORS

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### **DIRECTORS**

Wilmington Trust SP Services (London) Limited

Daniel Wynne

Eileen Hughes – resigned 30 September 2019

Christopher John Duffy – appointed 30 September 2019

### **REGISTERED OFFICE**

Third Floor

1 King's Arms Yard

London

EC2R 7AF

### **BANKERS**

HSBC UK Bank Plc

69 Pall Mall,

London,

SW1Y 5EY

### **AUDITORS**

BDO LLP

55 Baker Street

London

W1U 7EU

UNITED KINGDOM

### **SECRETARY**

Wilmington Trust SP Services (London) Limited

# KRF Management Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of KRF Management Limited for the year ended 31 July 2020.

### **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 31 July 2020, the company achieved total income of £101,257 (2019: £98,654) and the result for the period was a profit before dividends of £13,295 (2019: £12,655). Net assets as at 31 July 2020 were £24,534 (2019: £46,239).

The directors do not intend to declare a dividend for 2020. The dividend declared in the last directors report of £17,500 per share was paid during the year ended 31 July 2020 (2019: Nil).

### **GOING CONCERN**

The principal activity of the Company's parent company, Keele Residential Funding Plc is the management of a Financial Asset and its component element which comprises mainly the receipt of student rent from Keele University. The Covid 19 outbreak and the UK Government's lockdown instructions through March 2020 caused students in university accommodation at Keele University to leave their accommodation before the end of their letting period. The University elected to refund students for this early departure but fulfilled its rental obligation to KRF for the year ending 31 July 2020. The University advised the Directors that its levels of confirmed student places for September 2020 entry were good and in line with budget. Occupation levels in the University accommodation were also good at the start of term in September 2020. However, the lockdown which commenced in January 2021 has resulted students whose course does not require attendance at campus to remain at home. Whilst the University may need to engage in further student refunds, rental flows to KRF through 2020/21 are expected to be uninterrupted. The University will be keeping the Directors informed regarding the University and the accommodation through the year to July 2021. The Directors have prepared cashflow forecasts that cover at least twelve months from the authorisation of these financial statements. If the payments from the University continue as anticipated and in line with their contractual obligations, then the Group and Company have sufficient cash to settle its financial obligations.

However, should the current situation worsen and the student population is materially impacted by Covid, this may impact on the University's ability to make the contractual payments to KRF, and in turn on to the continued ability of KRF to settle its financial obligations as they fall due during the 2020/21 academic year. The current vaccination programme in the UK is clearly very positive and the University considers it to be particularly encouraging regarding applications for September 2021 entry. However, the Directors will continue to monitor the University's situation, in particular the effect of the current lockdown. In this regard, as at the date of authorisation of these financial statements there is a material uncertainty which may cast significant doubt over the ability of the Group and the Company to continue as a going concern. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

### **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

Eileen Hughes – resigned 30 September 2019

Christopher John Duffy – appointed 30 September 2019

### **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

# KRF Management Limited

## DIRECTORS' REPORT

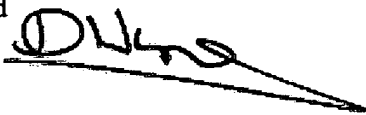
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- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

### AUDITORS

A resolution to reappoint BDO LLP, Chartered Accountants, as auditors will be considered by 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

15 February 2021

# KRF Management Limited

## DIRECTORS' REPORT

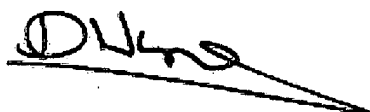
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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 accounting standards in conformity with the requirements of the Companies Act 2006, and applicable law. The financial statements must, in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, 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 international accounting standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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

15 February 2021

# KRF Management Limited

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KRF MANAGEMENT LIMITED

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### **Opinion**

We have audited the financial statements of KRF Management Limited ("the Company") for the year ended 31 July 2020 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Shareholder's Equity and the related 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 accounting standards in conformity with the requirements of the Companies Act 2006, and, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of Companies Act 2006.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

We draw attention to note 2.3 to the financial statements which explains that the ability of the Group and Parent Company to continue as a going concern is dependent on the ability of Keele University to continue to pay the contractual rental amounts due to the Group. As stated in note 2.3, these events or conditions, along with other matters as set out in note 2.3, indicate that material uncertainty exists which may cast significant doubt over the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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:

- proper accounting records have not been kept, or proper 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 Statement of Directors' Responsibilities, 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 Council's website at:

<https://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

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

BDO LLP

Charles Ellis (Senior Statutory Auditor)

For and on behalf of

BDO LLP, Statutory Auditor

London

United Kingdom

Date: 15 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# KRF Management Limited

## INCOME STATEMENT

For the year ended 31 July 2020

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	Note	2020 £	2019 £
<b>CONTINUING OPERATIONS</b>			
REVENUE	4	<b>101,257</b>	98,654
Fees payable		<u><b>(70,609)</b></u>	<u>(68,794)</u>
Gross Profit		<b>30,648</b>	29,860
Administration expenses		<u><b>(17,353)</b></u>	<u>(17,205)</u>
PROFIT FROM OPERATIONS	5	<b>13,295</b>	12,655
Finance income		<u>-</u>	<u>-</u>
PROFIT BEFORE TAX		<b>13,295</b>	12,655
Taxation on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<b>13,295</b>	12,655
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>13,295</b></u>	<u>12,655</u>
<b>Ordinary dividend on equity shares</b>		<u><b>(35,000)</b></u>	<u>-</u>
<b>ATTRIBUTABLE TO:</b>			
<b>EQUITY HOLDERS OF THE COMPANY</b>		<u><b>(21,705)</b></u>	<u>12,655</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

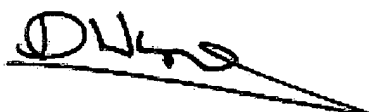
BALANCE SHEET

At 31 July 2020

	Note	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	-	29,941
Cash and cash equivalents	9	<b>25,674</b>	56,399
<b>TOTAL CURRENT ASSETS</b>		<b>25,674</b>	<b>86,340</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	<b>(490)</b>	(39,665)
Accruals and deferred income	10	<b>(650)</b>	(436)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(1,140)</b>	<b>(40,101)</b>
<b>NET ASSETS</b>		<b>24,534</b>	<b>46,239</b>
<b>EQUITY</b>			
Share capital	12	<b>2</b>	2
Retained earnings	13	<b>24,532</b>	46,237
<b>ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS</b>		<b>24,534</b>	<b>46,239</b>

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 8 to 18 were approved by the board of directors and authorised for issue on 15 February 2021 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 2020

	Note	2020	2019
		£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit for the year		(21,705)	12,655
<i>Adjustment for:</i>			
Dividend payable		35,000	-
<b>OPERATING PROFIT BEFORE MOVEMENT IN WORKING CAPITAL</b>		13,295	12,655
Decrease/(increase) in trade and other receivables		29,941	(29,941)
(Decrease)/Increase in trade and other payables		(38,961)	25,557
<b>CASH GENERATED BY OPERATIONS</b>		4,275	8,271
Income tax paid		-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		4,275	8,271
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(35,000)	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		(30,725)	8,271
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(30,725)	8,271
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		56,399	48,128
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	9	25,674	56,399

# KRF Management Limited

## STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended 31 July 2020

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	Share capital £	Retained earnings £	Total £
At 31 July 2018	2	33,582	33,584
Total comprehensive income for the year	-	12,655	12,655
At 31 July 2019	2	46,237	46,239
Total comprehensive income for the year	-	13,295 (35,000)	13,295 (35,000)
Ordinary dividends paid during the year			
<b>At 31 July 2020</b>	<b>2</b>	<b>24,532</b>	<b>24,534</b>

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# KRF Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

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### 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 accounting standards in conformity with the requirements of the Companies Act 2006. 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 accounting standards in conformity with the requirements of the Companies Act 2006 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 2019 affected any of the amounts recognised in the current period or any prior period.

#### New IFRSs not yet endorsed by the EU

The directors have also considered international accounting standards in conformity with the requirements of the Companies Act 2006 which have not been endorsed and which are in issue but not in force at the balance sheet date which includes IFRS 17 – Insurance Contracts, becoming effective for the accounting period to July 2024. The directors believe that the adoption of the aforementioned standard 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.

#### 2.3. GOING CONCERN

The principal activity of the Company’s parent company, Keele Residential Funding Plc is the management of a Financial Asset and its component element which comprises mainly the receipt of student rent from Keele University. The Covid 19 outbreak and the UK Government's lockdown instructions through March 2020 caused students in university accommodation at Keele University to leave their accommodation before the end of their letting period. The University elected to refund students for this early departure but fulfilled its rental obligation to KRF for the year ending 31 July 2020. The University advised the Directors that its levels of confirmed student places for September 2020 entry were good and in line with budget. Occupation levels in the University accommodation were also good at the start of term in September 2020. However, the lockdown which commenced in January 2021 has resulted students whose course does not require attendance at campus to remain at home. Whilst the University may need to engage in further student refunds, rental flows to KRF through 2020/21 are expected to be uninterrupted. The University will be keeping the Directors informed regarding the University and the accommodation through the year to July 2021. The Directors have prepared cashflow forecasts that cover at least twelve months from the authorisation of these financial statements. If the payments from the University continue as anticipated and in line with their contractual obligations, then the Group and Company have sufficient cash to settle its financial obligations.

However, should the current situation worsen and the student population is materially impacted by Covid, this may impact on the University’s ability to make the contractual payments to KRF, and in turn on to the continued ability of KRF to settle its financial obligations as they fall due during the 2020/21 academic year. The current vaccination programme in the UK is clearly very positive and The University considers it to be particularly encouraging regarding applications for September 2021 entry. However, the Directors will continue to monitor the University's situation, in particular the effect of the current lockdown. In this regard, as at the date of authorisation of these financial statements there is a material uncertainty which may cast significant doubt over the ability of the Group and the Company to continue as a going concern. The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

# KRF Management Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2020

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### 2.4. 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.

### 2.5. FINANCE COSTS

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

### 2.6. FINANCE INCOME

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

### 2.7. 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.

### 2.8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company classifies its financial assets at amortised cost.

#### **Amortised cost**

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet. Cash and cash equivalents include deposits held at call with banks.

These assets arise principally from trading activities and are carried at amortised cost less any provision for impairment. Impairment provisions for financial assets are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the financial asset is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the financial asset. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the consolidated statement of comprehensive income. On

**KRF Management Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 July 2020**

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confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

The Company classifies its financial liabilities as other financial liabilities.

**Other financial liabilities**

Other financial liabilities include trade payables and are carried at amortised cost.

**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:*

	<b>2020</b>	2019
	£	£
<i>Continuing operations:</i>		
Fees for the provision of management services	<b>101,257</b>	68,794

**5. PROFIT FROM OPERATIONS**

Profit for the year has been arrived at after charging:

	<b>2020</b>	2019
	£	£
<i>Auditors' remuneration</i>		
Audit services		
- Statutory audit	<b>3,250</b>	3,250
<i>Keele University taxation services</i>		
Taxation services	<b>210</b>	400
	<b>3,460</b>	3,650

No non-audit fees have been paid to the auditors in 2020.

**6. STAFF COSTS**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	<b>2020</b>	2019
Head office and administration	<b>2</b>	2

Staff remuneration in the year ended 31 July 2020 amounted to £nil (2019 - £nil).



**KRF Management Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2020

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**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 14 of the Financial Statements.

**7. INCOME TAX EXPENSE**

	<b>2020</b>	2019
	<b>£</b>	£
<i>Recognised in the income statement:</i>		
Total current tax	-	-
Total deferred tax	-	-
Total tax expense in income statement	-	-
<hr/>		
<b>Reconciliation of effective tax rate</b>		
	<b>2020</b>	2019
	<b>£</b>	£
Profit before tax	<b>13,295</b>	12,655
Tax using the UK corporation tax rate of 19% (2019:19%)	<b>2,526</b>	2,404
<b>EFFECT OF:</b>		
Group relief	<b>(2,526)</b>	(2,404)
<hr/>		
<b>Total current tax charge and effective rate of tax</b>	<b>-</b>	-
<hr/>		

**8. TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	2019
	<b>£</b>	£
<i>Amounts falling due within one year:</i>		
Trade receivables – intercompany – see note 14	-	29,800
Social Security and other taxes	-	141
	<hr/>	<hr/>
	<b>-</b>	<b>29,941</b>
<hr/>		

There is no impairment of the receivables balance. Trade receivables are all aged within 0-30 days.

**9. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	2019
	<b>£</b>	£
Cash at bank and in hand	<b>25,674</b>	56,399
	<hr/>	<hr/>

**KRF Management Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2020

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**10. TRADE AND OTHER PAYABLES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<i>Amounts falling due within one year:</i>		
Trade payables	-	39,665
Accruals and deferred income	<b>650</b>	436
Social Security & Other Taxes	<b>490</b>	-
	<b>1,140</b>	<b>40,101</b>

**11. FINANCIAL INSTRUMENTS**

**11.1. 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.

**11.2. 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.

**11.3. CATEGORIES OF FINANCIAL INSTRUMENTS**

**FINANCIAL ASSETS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amortised Cost	-	29,800

**FINANCIAL LIABILITIES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other financial liabilities	<b>1,140</b>	<b>40,101</b>

**11.4. 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.

**11.4.1. 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.

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

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**11.4.3. 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.

**11.4.4. Liquidity risk**

The company actively maintains facilities that are designed to ensure the company has sufficient funds for operations. The contractual cash outflows of liabilities amounting to £1,140 (2019: £40,101) are all due within one year.

**11.5. ANALYSIS BY CURRENCY**

**Cash and cash equivalents**

	<b>2020</b>	2019
	£	£
Sterling	<u><b>25,674</b></u>	<u>56,399</u>

**11.6. UNDRAWN COMMITTED BORROWING FACILITIES**

At the year-end the company had no undrawn committed borrowing facilities (2019: Nil).

**11.7. 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:

	2020		2019	
	Carrying Amount £	Fair value £	Carrying Amount £	Fair value £
Cash at bank and in hand	25,674	25,674	56,399	56,399
Trade and other receivables	-	-	29,941	29,941
Trade and other payables	<b>(1,140)</b>	<b>(1,140)</b>	<b>(40,101)</b>	<b>(40,101)</b>
	<u><b>24,534</b></u>	<u><b>24,534</b></u>	<u>46,239</u>	<u>46,239</u>

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

Short-term borrowings, cash and deposits approximate to their carrying amount due to their short maturities.

**12. SHARE CAPITAL**

	Authorised Ordinary shares of £1 each
	Number
At beginning and end of the period	<u><u>10,000</u></u>

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Allotted, called up and fully paid  
Ordinary shares of £1 each

	Number
At beginning and end of the period	2

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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.

**13. RESERVES**

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

**14. RELATED PARTY TRANSACTIONS**

During the year £101,257 (2019: £98,654) excluding VAT 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 excluding VAT totalling £70,609 (2019: £68,794).

At the year end the company was owed £Nil (2019: £ 29,800) from Keele Residential Funding plc and owed £Nil (2019: £20,783) to Keele Residential Funding Plc.

During the year £8,244 (2019: £8,057) excluding VAT was charged by the Wilmington Trust SP Services (London) Limited for the provision of corporate services. 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.

**15. POST BALANCE SHEET EVENTS**

Covid-19 and the UK Government's efforts to contain the virus continue. The University is reporting good levels of recruitment and accommodation occupation. Further comments on this and the views of the directors are contained in the going concern statement in the Directors' report on page 2.

**16. CONTINGENT LIABILITIES**

There are no contingent liabilities to report.

**17. 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.