

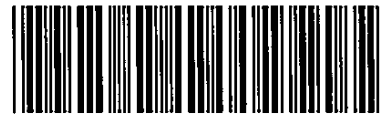
Key Properties Limited

FINANCIAL STATEMENTS

for the year ended

30 April 2013

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COMPANIES HOUSE

Company Registration No 00931738

Key Properties Limited

COMPANY INFORMATION

DIRECTOR

L J Nike

SECRETARY

L D Stafford

COMPANY NUMBER

00931738

REGISTERED OFFICE

Jubilee House
John Nike Way
Bracknell
Berkshire
RG12 8TN

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

Key Properties Limited

DIRECTOR'S REPORT

The director presents his report and financial statements for the year ended 30 April 2013

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the letting of developed property and the development and construction of industrial, commercial and residential properties

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The majority of the company's revenue continues to be rental from Group companies. Total rental income for the year was £3,006,548 (2012 £3,608,207)

During the year the company sold its Reading Motor Dealership's properties, and sold the Swan at Streatley. In addition the company entered into a long term lease agreement with Toyota Tsusho Motor Holdings for the lease of its Bracknell Motor trade site

As a result of the company's policy of writing down loans to other Group companies to reflect a recoverable amount equivalent to the net assets of the borrowing company a provision of £Nil was made in the year (2012 £2,679,642)

The company is showing a loss on ordinary activities before taxation of £463,350 (2012 £2,038,738)

The company's net assets as shown by the balance sheet at 30 April 2013 are £13,012,002 (2012 £15,050,576). This does not take into account the current market value of the company's significant property holdings, where a significant land asset is currently listed as an SAPD site for mixed use. The planning application is due to go before the planning committee for a planning resolution, and approval is anticipated by the end of March 2014.

FUTURE DEVELOPMENTS

The company is continuing with its core activity of renting property to the Group companies. The development activities undertaken by the company continue on a number of different projects and the Director is confident that sales of the land assets will produce a good return in the near future.

KEY PERFORMANCE INDICATORS

The director considers the company not to have any key performance indicators as the nature of its business is mainly group related and performance is monitored closely in the underlying entities.

RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

The director does not recommend the payment of a dividend and the loss has been transferred to reserves.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue its operations for the foreseeable future. The validity of this assumption depends on the Nike Land Securities Limited group (the group) of which this company is a member continuing to meet its day to day working capital requirements through the use of the available bank loan and overdraft facility. The current facility agreement, totaling £21.6m in loans and overdrafts, requires review and renewal on 31 March 2014.

MARKET VALUE OF LAND AND BUILDINGS

Certain properties included in stock and fixed assets are held as security against bank debt and were last subject to professional valuation in July 2009.

The properties included within stock were valued significantly in excess of carrying value (see note 6).

The directors have maintained historic cost values (as depreciated for properties held as fixed assets) in accordance

Key Properties Limited

DIRECTOR'S REPORT

with the stated accounting policy and have not made any provision for impairment against the properties valued at below net book value. Further information is given in notes 6 and 8.

DIRECTOR

The following director has held office since 1 May 2012 -

L J Nike

AUDITOR

The auditor, Baker Tilly UK Audit LLP, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

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

By order of the board



L D Stafford
Secretary

28th Jan. 2014

Key Properties Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business,

The director is 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. He is 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.

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

We have audited the financial statements on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the accounting policies on page 8 of these financial statements concerning the company's ability to continue as a going concern. The group, of which this company is a member, incurred a net loss of £2.67m during the year ended 30 April 2013. The group had total net assets of £14.7m at 30 April 2013, including net current liabilities of £15.9m and net bank debts of approximately £20.75m. These conditions, along with the other matters explained on page 8 of the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

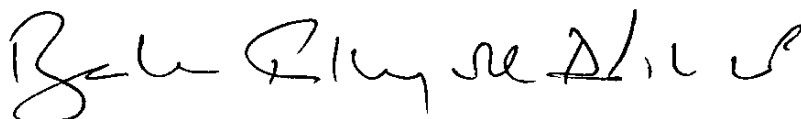
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



COLIN ROBERTS FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey GU1 1UN

3 January 2014

Key Properties Limited
PROFIT AND LOSS ACCOUNT
For the year ended 30 April 2013

	Notes	2013 £	2012 £
TURNOVER	1	3,518,562	3,624,623
Cost of sales		(495,811)	-
Gross profit		<u>3,022,751</u>	<u>3,624,623</u>
Other operating expenses		(2,539,378)	(1,970,394)
Provision against related party loans		(1,700,000)	(2,679,642)
Profit on disposal of fixed assets		47,183	-
OPERATING PROFIT/(LOSS)		<u>(1,169,444)</u>	<u>(1,025,413)</u>
Interest payable and similar charges	2	(993,906)	(1,013,325)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(2,163,350)</u>	<u>(2,038,738)</u>
Taxation	5	124,776	(355,668)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u><u>(2,038,574)</u></u>	<u><u>(2,394,406)</u></u>

The operating loss for the year arises from the company's continuing operations

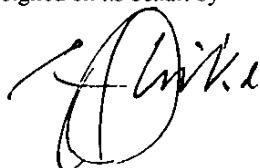
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Key Properties Limited
BALANCE SHEET (Company Registration Number 00931738)
As at 30 April 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	30,996,176	40,997,025
Investments	7	100,000	100,000
		<u>31,096,176</u>	<u>41,097,025</u>
CURRENT ASSETS			
Stock	8	5,946,872	5,927,119
Debtors amounts falling due within one year	9	74,475	116,272
Debtors amounts falling due after more than one year	9	874,532	2,289,342
Cash at bank and in hand		53,944	-
		<u>6,949,823</u>	<u>8,332,733</u>
CREDITORS amounts falling due within one year	10	(16,989,846)	(25,411,264)
NET CURRENT LIABILITIES		<u>(10,040,023)</u>	<u>(17,078,531)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,056,153</u>	<u>24,018,494</u>
CREDITORS amounts falling due in more than one year	11	(6,296,150)	(7,095,141)
PROVISIONS FOR LIABILITIES	12	(1,748,001)	(1,872,777)
NET ASSETS		<u>13,012,002</u>	<u>15,050,576</u>
CAPITAL AND RESERVES			
Called up share capital	13	3,000	3,000
Profit and loss account	14	13,009,002	15,047,576
SHAREHOLDER S FUNDS	15	<u>13 012 002</u>	<u>15 050 576</u>

The financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 28 January 2014 and are signed on its behalf by

L J Nike



Director

Key Properties Limited

Financial statements for the year ended 30 April 2013

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The accounts present information about the company as an individual undertaking and not about its group. The company is a wholly owned subsidiary of Nike Land Securities Limited, a company registered in England and Wales, and as such has taken advantage of the exemption under Financial Reporting Standard No 2, "Accounting for Subsidiary Undertakings" and the Companies Act 2006 not to prepare consolidated accounts

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue its operations for the foreseeable future. The validity of this assumption depends on the Nike Land Securities Limited group ("the group"), of which this company is a member, continuing to meet its day to day working capital requirements through the use of the available bank loan and overdraft facility. The current facility agreement, totaling £21.6m in loans and overdrafts, expires on 31 March 2014.

The group incurred a net loss of £2.67m (2012: £2.995m) for the year ended 30 April 2013, had net current liabilities of £15.9m (2012: £24.17m) at that date and had net bank debts of approximately £20.75m (2012: £28.5m). Losses have continued subsequent to the year end. As of the date of approval of these financial statements the net bank debt was approximately £21.53m.

At the year end the group was in breach of its banking facility as set out in note 11 and as a result the loan and overdraft were technically repayable on demand and are shown as short term creditors in accordance with FRS25. During the financial year the bank debt had been reduced following the disposal of the group's motor trade interests and one of the group's hotel assets. Total repayments of approximately £8m were made during the year under review. Subsequent to the year end the facility was extended, requiring review and renewal on 31 March 2014.

The directors are in the process of finalising their planning application for Amen Corner South, one of the key strategic development sites in Bracknell Forest Borough. Based on discussions with the local authorities the directors expect their planning application to be heard in Q1 of 2014 and are confident, based on those discussions, that the appropriate approvals will be obtained. The directors are working closely with a major developer, who have signed heads of terms and expressed their intention to complete their purchase of the site on finalisation of the planning process. This will release significant cash flows to further reduce the bank position, although it is expected that bank support will be required beyond the expiry of the current facility date on 31 March 2014. To date the bank have been supportive and the directors are confident that this will continue going forward.

To further improve the group's working capital position, the directors have implemented additional cost cutting measures and sought professional advice which they believe will reduce losses and improve cash flows. These initiatives have included further review of the group's cost base, the restructuring of certain group operations and the deferral of certain capital projects until such time that funding is available to complete them (see note 6).

The directors are closely monitoring performance against cash flow projections that have been prepared for the period to 30 April 2015 together with the progress of planning applications and asset sales and are confident that with the continued support of the bank sufficient cash will be available for operations. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

In the event that the full implementation of the initiatives are delayed, if expectations included in the directors' projections are not otherwise met, or if the bank did not continue to be supportive the directors will need to reconsider the group's funding position. This may include a requirement to sell assets not currently identified for sale, which may result in sales values of less than carrying value, or raising additional funding from alternative sources. The financial statements do not include any adjustments that would result should the group be unable to generate sufficient cash flows to work within its available facilities.

Key Properties Limited

Financial statements for the year ended 30 April 2013

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

TURNOVER

Turnover represents income arising on property rental which is credited to the profit and loss account on an accruals basis and income from sale of property stock which is recognised on completion of a sale contract

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows -

Freehold land and buildings	50 years
Assets in course of construction	No depreciation provided
Plant, fixtures and fittings	10 years
Leisuresport complexes	10 to 50 years
Phoenix Business Park	50 years

The assets in the course of construction are depreciated when brought into use

Residual value is calculated on prices prevailing at the date of acquisition

INVESTMENTS

Unlisted investments are stated at cost. Provision is made for any impairment in the value of the fixed asset

STOCK AND WORK IN PROGRESS

Stocks and development properties, including stock of undeveloped land, are valued at the lower of cost and net realisable value. Cost of finished goods and work in progress includes overheads appropriate to the stage of completion. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items

PENSION CONTRIBUTION

The company operates a defined contribution pension scheme for certain of its employees, held in the name of a fellow group undertaking. Contributions are made both by the employer and employee into pension units, invested with AXA Sun Life, available for the purchase of retirement benefits at age 60. The pension costs are based on contributions across the group as a whole, and are on an accruals basis

DEFERRED TAXATION

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Timing differences that result in a deferred tax asset are only recognised to the extent that they are reasonably believed to be recoverable

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss on ordinary activities before taxation of the company for the year were derived from its principal activity wholly undertaken in the United Kingdom

	2013 £	2012 £
CLASS OF BUSINESS		
Property sales	482,900	-
Rent receivable	3,006,598	3,608,207
Other income	29,064	16,416
	<u>3,518,562</u>	<u>3,624,623</u>

2 INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	977,511	996,740
Other interest	16,395	16,585
	<u>993,906</u>	<u>1,013,325</u>

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
This is stated after charging/(crediting)		
Depreciation of tangible fixed assets	635,845	699,297
Provision against intragroup loans	1,700,000	2,679,642
Auditor s remuneration	10 300	10 300
Profit on disposal of fixed assets	47,183	-
Exceptional bank charges and fees	608,464	-
	<u>=====</u>	<u>=====</u>

Profit on disposal of fixed assets has arisen from the disposal of the car dealership and one of the Nike Group Hotels

Exceptional bank charges have arisen due to the renegotiations that took place with the bank, in relation to the renewal of the loans

4 EMPLOYEES

There were no employees during either the current or prior year apart from the director

DIRECTORS' REMUNERATION

	2013 No	2012 No
The number of directors for whom retirement benefits are accruing under money purchase scheme was	<u>1</u>	<u>1</u>

All Directors remuneration is paid by the ultimate parent company and recharged with other administration costs via a management charge, which is included within administration expenses

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

5	TAXATION	2013 £	2012 £
	UK Corporation tax		
	Payment in respect of group relief	-	604,752
	Current tax charge	-	604,752
	Deferred tax credit		
	Current year deferred tax	(84,521)	(93,019)
	Effect of changes in tax rates and laws	(40,255)	(156,065)
	Total deferred tax	(124,776)	(249,084)
	Tax on loss on ordinary activities	(124,776)	355,668
	Factors affecting tax charge for the year		
	Loss on ordinary activities before taxation	(377,336)	(2,038,738)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24% (2012 26%)	(90,561)	(530,072)
	Effects of		
	Non deductible expenses	71,430	785,872
	Depreciation add back	-	93,019
	Depreciation in excess of capital allowances	84,521	-
	Tax losses utilised	(260,533)	-
	Tax losses carried forward	-	275,640
	Transfer pricing adjustment	(13,706)	(12,175)
	Other tax adjustments	208,849	(7,532)
		90,561	1,134,824
	Current tax charge	-	604,752

The company has estimated losses of £3 283,073 (2012 £4,390,412) available for carry forward against future trading profits. No provision has been made for the tax losses due to the uncertainty of the timing of their recovery.

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

6 TANGIBLE FIXED ASSETS

	<i>Land and buildings</i>	<i>Assets in course of construction</i>	<i>Plant, fixtures and fittings</i>	<i>Leisure/sport complexes</i>	<i>Phoenix Business Park</i>	<i>Total</i>
	£	£	£	£	£	£
Cost						
1 May 2012	32,640,082	1,257,463	2,592,611	9,176,744	7,513,706	53,180,606
Transfers	(3,532)	(97,554)	-	-	-	(101,086)
Disposals	(10,441,623)	(2,185)	-	-	-	(10,443,808)
30 April 2013	22,194,927	1,157,724	2,592,611	9,176,744	7,513,706	42,635,712
Depreciation						
1 May 2012	3,901,625	-	2,592,611	4,073,691	1,615,651	12,183,578
Charge for the year	283,898	-	-	201,673	150,274	635,845
Disposals	(1,179,887)	-	-	-	-	(1,179,887)
30 April 2013	3,005,636	-	2,592,611	4,275,364	1,765,925	11,639,536
Net book value						
30 April 2013	19,189,291	1,157,724	-	4,901,380	5,747,781	30,996,176
30 April 2012	28,738,457	1,257,463	-	5,103,050	5,898,055	40,997,025

The net book value of land and buildings consists of long leasehold properties of £432,293 (2012 £443,637) and short leasehold properties of £420,684 (2012 £444,420)

The group's property portfolio was last professionally valued in 2009 in conjunction with a refinancing exercise. The directors did not adopt these valuations in preparing the financial statements and have maintained historic cost values (as depreciated) in accordance with the stated accounting policy. The directors have not made any provision for impairment against the properties valued at below net book value.

Of the properties subject to valuation some were valued at lower than net book value, indicating that those properties might be impaired at the year end and others were valued at amounts in excess of net book value. The directors have reviewed the valuations and consider that the values derived are indicative of a forced or fast sale and are not applicable on the basis of continued use within the group or a planned disposal, in particular given the development potential of some of the sites concerned.

Assets in the course of construction relate to projects put on hold pending the availability of sufficient funding for completion. Despite the deferral of the projects, the directors are of the opinion that the carrying value is not impaired.

7 FIXED ASSET INVESTMENTS

	<i>Investments in subsidiaries</i>
	£
Cost	
1 May 2012 and 30 April 2013	100,000
Net book value	
30 April 2013 and 30 April 2012	100,000

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

7 FIXED ASSET INVESTMENTS (Continued)

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Treescape Limited	England	Ordinary	100

In the opinion of the directors, the value of the investment in subsidiary is not less than that shown in these financial statements

8 STOCKS AND WORK IN PROGRESS	2013	2012
	£	£
Work in progress	5,945,628	5,925,875
Land held for resale	1,244	1,244
	<u>5,946,872</u>	<u>5,927,119</u>

The work in progress relates to property held for development purposes

Certain properties included in development properties are held as security against bank debt and were subject to professional valuation in July 2009. These properties were valued at significantly in excess of carrying value

9 DEBTORS	2013	2012
	£	£
Amounts falling due within one year		
Trade debtors	12,651	5,000
Amounts owed by group undertakings	48,715	1,899
Other debtors	-	37,990
Prepayments and accrued income	13,109	71,383
	<u>74,475</u>	<u>116,272</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	874,532	2,289,342

10 CREDITORS	2013	2012
	£	£
Amounts falling due within one year		
Bank loans and overdrafts	16,110,636	24,197,188
Trade creditors	72,322	65,379
Amounts owed to group undertakings	175,767	738,371
Director's current account	375,220	365,319
Other taxation and social security	128,116	-
Other creditors	3,279	3,318
Accruals and deferred income	124,506	41,689
	<u>16,989,846</u>	<u>25,411,264</u>

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

10 CREDITORS

Amounts falling due within one year (Continued)

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

At the year end the group was in breach of the terms of its bank loan and overdraft facility. As a result the loan and overdraft were technically repayable on demand and are therefore shown as short term creditors in accordance with FRS 25. Interest was payable on the loan facility at rates between 4% and 5% above LIBOR and on the overdraft facility between 2.5% and 10% above the bank's base rate. Subsequent to the year end the loan facility was renegotiated on the same terms with an expiry date of 31 March 2014.

The bank loan and overdraft are secured by mortgage debentures and fixed and floating charges over the assets of the group companies, by guarantees given by group companies and legal mortgages over land and buildings held by the group.

11 CREDITORS	2013	2012
	£	£
Amounts falling due after more than one year		
Amounts owed to group undertakings	6,296,150	7,095,141
	<u>=====</u>	<u>=====</u>

12 PROVISIONS FOR LIABILITIES	Deferred tax liability
	£
Accelerated capital allowances	
1 May 2012	1,872,777
Profit and loss account	(124,776)
30 April 2013	<u>1,748,001</u>
	<u>=====</u>

No provision has been made for £18,544,097 (2012 £20,862,750) of rolled over capital gains in accordance with Financial Reporting Standard No 19.

Finance Act 2012 was enacted during the period, which reduced the main rate of corporation tax 24% to 23% with effect from 1 April 2013. Therefore the unrecognised deferred tax asset at 31 March 2013 has been calculated at 23%.

In his budget of 20 March 2013, the Chancellor of the Exchequer announced further decreases in the rate of UK corporation tax from 23% to 21% from 1 April 2014 and by an additional 1%, reaching 20% with effect from 1 April 2015.

The further proposed reductions in the main rate of corporation tax to 20% have not been substantively enacted and therefore in accordance with Accounting Standards, these proposed changes have not been reflected in the accounts at 30 April 2013.

13 SHARE CAPITAL	2013	2012
	£	£
Allotted, issued and fully paid		
3,000 ordinary shares of £1 each	3,000	3,000
	<u>=====</u>	<u>=====</u>

Key Properties Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2013

14 RESERVES

	Profit and loss account £
1 May 2012	15,047,576
Retained profit for the year	(2,038,574)
30 April 2013	<u>13,009,002</u>

**15 RECONCILIATION OF MOVEMENTS IN
SHAREHOLDER'S FUNDS**

	2013 £	2012 £
Loss for the year	(2,038,574)	(2,394,406)
Opening shareholder's funds	15 050 576	17 444 982
Closing shareholder's funds	<u>13 012 002</u>	<u>15 050 576</u>

16 CONTINGENT LIABILITIES

The company has given an unlimited composite cross guarantee in respect of the bank loan and overdrafts of certain other group companies. The total group liability in respect of this is £20 405 152 at 30 April 2013 (2012 £28 105 246)

17 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent company is Nike Land Securities Limited, a company incorporated in the United Kingdom and controlled by Mr L J Nike. Copies of the consolidated financial statements can be obtained from Jubilee House, John Nike Way, Bracknell, Berkshire, RG12 8TN

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group

At the year end, the company owed £375,220 (2012 £365 319) to Mr L J Nike and paid interest at 4.5% on the loan during the year amounting to £16 395 (2012 £16 585). This is repayable on demand.

During the year the company made sales of £60 300 (2012 £60 300) to Techmat 2000 Limited and sales of £17 379 (2012 £16 164) to Nike Design Limited, companies under common control.

During the year the company also made purchases of £119 059 (2012 £134 677) from Nike Design Limited.

Included within short term amounts owed to group is £17,676 (2012 £34,049) owing to Nike Design Limited. Also included in amounts owed by group undertakings is £1,050,000 (2012 £800 000) owed by Nike Design Limited. Included in amounts owed by group undertakings is £2,420,000 (2012 £2,300 000) owed by Techmat 2000 Limited.