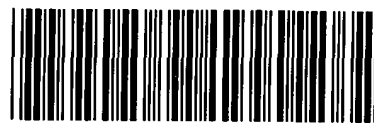

KIMBERLEY SECURITIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

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KIMBERLEY SECURITIES LIMITED

COMPANY INFORMATION

DIRECTORS	HMB Caseley PM Pearce
REGISTERED NUMBER	02891750
REGISTERED OFFICE	33 St James's Street London SW1A 1HD
INDEPENDENT AUDITORS	Crowe Clark Whitehill LLP 3rd floor The Lexicon Mount Street Manchester M2 5NT

KIMBERLEY SECURITIES LIMITED

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KIMBERLEY SECURITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and the financial statements for the year ended 30 June 2015.

RE-REGISTRATION

With effect from 12 December 2014, the company, formerly a public company (Plc), re-registered as a private limited company.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

DIVIDENDS

A dividend was paid in the year of £591,892 (2014: £567,300).

DIRECTORS

The directors who served during the year were:

HMB Caseley
PM Pearce

According to the register of directors' interests, the directors and their immediate families have an interest in all of the issued share capital. No rights to subscribe for shares or debentures in any group companies were granted to the directors or their immediate families or exercised by them during the current financial year.

KIMBERLEY SECURITIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

EVENTS SINCE THE END OF THE YEAR

A bank loan of £6m technically falls due for repayment in April 2016. At the point of approving these financial statements, the directors have agreed terms for a replacement loan facility with the Group's bank, covering all existing borrowings. The bank have formally confirmed credit approval for the new loan, which will extend for another 5 years for repayment in April 2021.

DISCLOSURE OF INFORMATION TO AUDITORS

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 and the group'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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 March 2016 and signed on its behalf.

HMB Caseley
Director



KIMBERLEY SECURITIES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2015

INTRODUCTION

The directors present the Strategic Report of the Group for the year ended 30 June 2015.

BUSINESS REVIEW

Kimberley Securities Limited is the parent company of the Group with principal activities of property development, investment and consultancy.

In relation to the development operations, the Group has been successful in obtaining planning consents for a number of significant schemes during the accounting period. However, the changing characteristics of the food store sector in particular has led to a reappraisal of a number of these development opportunities and in some cases delays have ensued which has had an effect on operating profit.

The Group has established a portfolio of investment properties over the past few years and the rental yield on these has been consistent, with rents receivable of £823,624 (2014 £840,823) included in turnover for the year.

PRINCIPAL RISKS AND UNCERTAINTIES

Business risks

Property development risks include those of project management. Usually the "Developer" is exposed to contractual delivery deadlines and may incur penalties if these are not met. There is also potentially the added financial risk of cost overruns which cannot be recovered. There is an underlying risk in establishing accurate cost estimates and therefore contract price. The gaining of new contracts may rely upon speculative work, incurring costs which may not be recoverable.

Property investment carries the associated business risk of doubtful debts, if the business and cashflow of tenants is impacted by difficult economic circumstances. There is also a risk that voids can result if leases are not renewed or reducing rental yield in a difficult market for landlords. However, these risks are mitigated by the demand in many geographical areas for quality commercial lets and an improvement in the economy can result in demand and increasing yield. Therefore, in relation to property investment, it is not possible to generalise about risks, they are specific to individual property investments, in terms of market conditions and local circumstances.

The directors adopt appropriate working practices and utilise their experience to manage the risks inherent in property activities.

Credit risk

The company's activities potentially expose it to credit risk, the unpredictability of operating cashflows. These are managed on a daily basis and forecasting is used to predict future cashflow requirements.

Financial risk factors

Projects are financed by loans which carry an interest rate risk, potentially increasing the cost of borrowing unless effectively hedged. The directors monitor these risks and manage them appropriately. Generally the company does not carry high levels of loan finance relative to the carrying values of investment and development assets and exposure is therefore limited.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators applied by management are;

Average rental yield (represented by rental income divided by property market value) was 4.7% (2014: 5.8%)

KIMBERLEY SECURITIES LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2015**

and is considered acceptable. The current year statistic is impacted by a revaluation and the equivalent yield has not changed.


Operating profit £441,458 (2014 £948,919) is considered to be satisfactory in the context of the comments in the Business Review.

Net assets remained stable at £8,920,830 (2014: £9,412,944), after increasing by retained profits of £99,778 and reducing by dividends paid of £591,892.

Net current assets are a measure of liquidity and these have remained strong and stable at £4,552,184 (2014, £5,119,668). Cash at bank decreased by £789,832 during the year, however the year end balance remains at £1,002,131.

This report was approved by the board on 21 March 2016 and signed on its behalf.

HMB Caseley
Director

A handwritten signature in black ink, appearing to read 'HMB Caseley', followed by a long horizontal flourish.

KIMBERLEY SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KIMBERLEY SECURITIES LIMITED

We have audited the financial statements of Kimberley Securities Limited for the year ended 30 June 2015, set out on pages 7 to 29. 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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

KIMBERLEY SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KIMBERLEY SECURITIES LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

24 March 2016

KIMBERLEY SECURITIES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	1,057,487	2,200,361
Cost of sales		(799,757)	(920,243)
GROSS PROFIT		257,730	1,280,118
Administrative expenses		(441,431)	(440,595)
Other operating income	3	527,142	-
OPERATING PROFIT	4	343,441	839,523
Share of operating profit of joint ventures		98,017	109,396
TOTAL OPERATING PROFIT		441,458	948,919
Interest receivable and similar income		10,813	7,066
Interest payable and similar charges	8	(299,513)	(445,996)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		152,758	509,989
Tax on profit on ordinary activities	9	(52,980)	(139,171)
PROFIT FOR THE FINANCIAL YEAR	19	99,778	370,818

All amounts relate to continuing operations.

The notes on pages 12 to 29 form part of these financial statements.

KIMBERLEY SECURITIES LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 £	2014 £
PROFIT FOR THE FINANCIAL YEAR	99,778	370,818
Unrealised surplus on revaluation of investment properties	-	1,735,000
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	99,778	2,105,818

The notes on pages 12 to 29 form part of these financial statements.

KIMBERLEY SECURITIES LIMITED
REGISTERED NUMBER: 02891750

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	10		6,843		14,939
Investment property	11		14,538,424		14,538,424
Investments in joint ventures					
-Share of gross assets		2,382,094		2,538,269	
-Share of gross liabilities		(2,813,715)		(2,993,356)	
Share of net liabilities	12		(431,621)		(455,087)
			<u>14,113,646</u>		<u>14,098,276</u>
CURRENT ASSETS					
Stocks	13	3,081,008		3,049,542	
Debtors	14	1,225,924		1,236,677	
Cash at bank and in hand		1,002,131		1,791,963	
			<u>5,309,063</u>	<u>6,078,182</u>	
CREDITORS: amounts falling due within one year	15	(756,879)		(958,514)	
NET CURRENT ASSETS			<u>4,552,184</u>		<u>5,119,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,665,830</u>		<u>19,217,944</u>
CREDITORS: amounts falling due after more than one year	16		(9,745,000)		(9,805,000)
NET ASSETS			<u><u>8,920,830</u></u>		<u><u>9,412,944</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		40,000		40,000
Capital redemption reserve	19		20,000		20,000
Investment property revaluation reserve	19		6,717,230		6,717,230
Profit and loss account	19		2,143,600		2,635,714
SHAREHOLDERS' FUNDS	20		<u><u>8,920,830</u></u>		<u><u>9,412,944</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 March 2016.


HMB Caseley
 Director


PM Pearce
 Director

The notes on pages 12 to 29 form part of these financial statements.


KIMBERLEY SECURITIES LIMITED
REGISTERED NUMBER: 02891750

COMPANY BALANCE SHEET
AS AT 30 JUNE 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	12		60,026		60,026
CURRENT ASSETS					
Debtors	14	901,047		901,047	
Cash at bank		1,067		1,067	
		<u>902,114</u>		<u>902,114</u>	
CREDITORS: amounts falling due within one year	15	<u>(312,935)</u>		<u>(312,935)</u>	
NET CURRENT ASSETS			<u>589,179</u>		<u>589,179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>649,205</u>		<u>649,205</u>
CAPITAL AND RESERVES					
Called up share capital	18		40,000		40,000
Capital redemption reserve	19		20,000		20,000
Profit and loss account	19		589,205		589,205
SHAREHOLDERS' FUNDS	20		<u>649,205</u>		<u>649,205</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 March 2016.

HMB Caseley
Director



PM Pearce
Director



The notes on pages 12 to 29 form part of these financial statements.

KIMBERLEY SECURITIES LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	22	68,757	1,936,995
Returns on investments and servicing of finance	23	(249,074)	(326,148)
Taxation		(16,790)	(187,335)
Capital expenditure and financial investment	23	(833)	(1,558)
Equity dividends paid		(591,892)	(567,300)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(789,832)</u>	<u>854,654</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	<u>(789,832)</u>	<u>854,654</u>
MOVEMENT IN NET DEBT IN THE YEAR	<u>(789,832)</u>	<u>854,654</u>
Net debt at 1 July 2014	<u>(6,808,037)</u>	<u>(7,662,691)</u>
NET DEBT AT 30 JUNE 2015	<u>(7,597,869)</u>	<u>(6,808,037)</u>

The notes on pages 12 to 29 form part of these financial statements.

KIMBERLEY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable accounting standards.

1.2 Going concern

The directors have reviewed projections and the financial commitments and available resources of the Group for the foreseeable future and accordingly prepared the financial statements on the going concern basis.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Kimberley Securities Limited and all of its subsidiary undertakings ('subsidiaries').

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of development projects and professional fees for other services.

Development activities

In respect of long term contracts turnover is stated at cost appropriate to the contract's stage of completion plus attributable profits, less amounts recognised in prior years.

Turnover in respect of other services is recognised in the period in which contractual delivery is completed.

Investment activity

Rental income is recognised in the period for which it is receivable.

Within the financial statements of Kimberley Developments Limited, which is primarily a property development business, rents are disclosed as Other operating income. Within the Group financial statements, these rents are re-classified and included within turnover.

All turnover is exclusive of value added tax and trade discounts (where applicable).

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short term leasehold property	-	Over the life of the lease
Motor vehicles	-	25% straight line
Fixtures & fittings	-	10% straight line
Office equipment	-	25% straight line

KIMBERLEY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES (continued)

1.6 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Joint venture undertakings**
Investments in joint ventures are stated at the company's share of net assets/(liabilities). The company's share of the profits or losses of the joint ventures is included in the profit and loss account using the equity accounting basis. See note 1.12.

1.7 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks and short term work in progress

Stocks and short term work in progress are valued at the lower of cost and net realisable value after making due allowance for amounts not recoverable. Cost includes all direct costs incurred in development projects.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. ACCOUNTING POLICIES (continued)

1.12 Joint arrangements

The group's share of profits and losses from its investments in joint venture companies are accounted for on a direct basis and included in the profit and loss account under the relevant categories of income and expenditure. The group share of its interests in joint arrangements are shown within investments in the balance sheet under the equity method as share of gross assets and gross liabilities.

Unincorporated joint arrangements within a subsidiary undertaking are accounted for on a direct basis, with the group share of the carrying values of investments properties, work in progress and other assets and liabilities being recognised within the appropriate balance sheet categories.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. TURNOVER

The whole of the turnover is attributable to the principal activities of the group.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2015 £	2014 £
Exceptional other operating income	<u>527,142</u>	<u>-</u>

During the year bank loan interest of £527,142 incurred in prior years was refunded.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	8,929	11,284
Operating lease rentals:		
- other operating leases	<u>55,500</u>	<u>55,500</u>

5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the company pursuant to legislation	22,345	22,345
Taxation compliance services	6,530	6,530
All other non-audit services not included above	<u>6,000</u>	<u>6,000</u>

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

6. STAFF COSTS

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

	2015 £	2014 £
Wages and salaries	78,413	91,184
Social security costs	8,541	8,459
Other pension costs	59,722	31,200
	<u>146,676</u>	<u>130,843</u>

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

2015 No.	2014 No.
<u>3</u>	<u>3</u>

7. DIRECTORS' REMUNERATION

	2015 £	2014 £
Remuneration	<u>84,209</u>	<u>76,687</u>
Company pension contributions to defined contribution pension schemes	<u>31,200</u>	<u>31,200</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes.

8. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	252,328	396,623
Share of joint ventures' interest payable	47,185	49,373
	<u>299,513</u>	<u>445,996</u>

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	11,864	93,166
Adjustments in respect of prior periods	353	(53,514)
	<u>12,217</u>	<u>39,652</u>
Share of joint ventures' current tax	30,076	10,159
	<u>42,293</u>	<u>49,811</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(1,363)	1,248
Rate and other differences	(400)	-
Tax losses (carried forward)/reversal	-	47,776
Timing difference relating to deferred lease premium	12,450	40,336
	<u>10,687</u>	<u>89,360</u>
Total deferred tax (see note 17)		
	<u>52,980</u>	<u>139,171</u>
Tax on profit on ordinary activities		

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>152,758</u>	<u>509,989</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	31,697	114,748
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,301	5,254
Capital allowances for year in excess of depreciation	1,363	1,828
Adjustments to tax charge in respect of prior periods	353	(53,514)
Adjustment in respect of prior period - joint ventures	5,277	(3,009)
Short term timing difference leading to an increase (decrease) in taxation	-	(13,501)
Capital gains relating to lease premium	(12,450)	-
Payment to joint venture partners for group relief	13,577	-
Unrelieved tax losses and other deductions arising in the period	91	-
Marginal relief	(916)	(1,569)
Tax rate differences	-	(426)
Current tax charge for the year (see note above)	<u><u>42,293</u></u>	<u><u>49,811</u></u>

Factors that may affect future tax charges

A deferred tax asset of £164,902 (2014: £176,902) relates to the taxation of a lease premium received which has been amortised in the financial statements over the term of the lease (note 17).

As at 30 June 2015, there are unrecognised deferred tax liabilities of £1,043,322 (2014: £1,177,058) which would crystallise if investment properties were disposed of at their balance sheet valuations.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

10. TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 July 2014	1,073	48,132	47,726	96,931
Additions	-	-	833	833
At 30 June 2015	1,073	48,132	48,559	97,764
Depreciation				
At 1 July 2014	-	35,658	46,334	81,992
Charge for the year	-	7,979	950	8,929
At 30 June 2015	-	43,637	47,284	90,921
Net book value				
At 30 June 2015	1,073	4,495	1,275	6,843
At 30 June 2014	1,073	12,474	1,392	14,939

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

11. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 July 2014 and 30 June 2015	<u>14,538,424</u>
Comprising	
Cost	7,821,195
Annual revaluation surplus/(deficit):	
Revaluation 2013 and previous	4,982,229
Revaluation 2014	<u>1,735,000</u>
At 30 June 2015	<u>14,538,424</u>

The 2015 valuations were made by the directors, on an open market value for existing use basis.

Revaluation reserves

At 1 July 2014 and 30 June 2015	<u>6,717,230</u>
---------------------------------	------------------

There is an unprovided deferred tax liability relating to the revaluation of land and buildings of £1,043,322 (2014:£1,177,058). No deferred tax is provided in respect of this liability until such time that contracts exist for disposal.

12. FIXED ASSET INVESTMENTS

Group	Investment in joint ventures £
Cost or valuation	
At 1 July 2014	(454,587)
Share of profit/(loss)	<u>23,466</u>
At 30 June 2015	<u>(431,121)</u>
Impairment	
At 1 July 2014 and 30 June 2015	<u>500</u>
Net book value	
At 30 June 2015	<u>(431,621)</u>
At 30 June 2014	<u>(455,087)</u>

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

12. FIXED ASSET INVESTMENTS (continued)

Participating interests

Details of joint ventures are given in note 30.

The following information is relevant to an understanding of the group's investment in its associates and joint ventures.

The group share of profits from interests in associates and joint ventures, after interest payable and taxation was £23,566 (2014: £50,241).

The group's aggregate share of the joint ventures' net liabilities at the balance sheet date was as follows:

	£	2015 £	£	2014 £
Share of assets				
Fixed assets	399		399	
Current assets	2,381,695		2,537,870	
		2,382,094		2,538,269
Share of liabilities				
Due within one year or less	(1,862,847)		(2,022,611)	
Due after more than one year	(950,868)		(970,745)	
		(2,813,715)		(2,993,356)
Share of net liabilities		(431,621)		(455,087)

The joint venture liabilities above includes the group share of bank loans in those entities. At the balance sheet date, the 50% group share of these liabilities amounted to £1,016,104 (2014: £1,080,731), which are secured on property assets in the joint venture companies AC&H 181 Limited and AC&H 231 Limited.

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2014 and 30 June 2015	60,026
Net book value	
At 30 June 2015	60,026
At 30 June 2014	60,026

Details of the principal subsidiaries and joint ventures can be found under note number 30.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

13. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Work in progress	3,081,008	3,049,542	-	-

14. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	138,609	14,092	-	-
Amounts owed by group undertakings	-	-	891,047	891,047
Amounts owed by undertakings in which the company has a participating interest (note 28)	480,006	480,006	10,000	10,000
Corporation tax recoverable	-	76,729	-	-
Other debtors	45,112	109,689	-	-
Prepayments and accrued income	400,335	383,612	-	-
Deferred tax asset (see note 17)	161,862	172,549	-	-
	1,225,924	1,236,677	901,047	901,047

15. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	43,662	129,428	-	-
Amounts owed to group undertakings	-	-	312,910	312,910
Amounts owed to joint ventures	743	1,063	-	-
Corporation tax	12,070	93,166	-	-
Other taxation and social security	37,646	12,535	-	-
Directors loan account	3,416	-	-	-
Other creditors	-	4,979	25	25
Accruals and deferred income	659,342	717,343	-	-
	756,879	958,514	312,935	312,935

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

16. CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	8,600,000	8,600,000	-	-
Accruals and deferred income	1,145,000	1,205,000	-	-
	9,745,000	9,805,000	-	-

Included within the above are amounts falling due as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Between one and two years				
Bank loans	2,600,000	-	-	-
Between two and five years				
Bank loans	-	8,600,000	-	-
Over five years				
Bank loans	6,000,000	-	-	-

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Deferred income; lease premium	905,000	965,000	-	-
Repayable other than by instalments; bank loans (see below)	6,000,000	-	-	-
	6,905,000	965,000	-	-

Events after the balance sheet date

A bank loan of £6m technically falls due for repayment in April 2016. At the point of approving these financial statements, the directors have agreed terms for a replacement loan facility with the company's bank, covering all existing borrowings. The bank have formally confirmed credit approval for the new loan, which will extend for another 5 years for repayment in April 2021 and this is reflected in the disclosure above.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

16. CREDITORS:
Amounts falling due after more than one year (continued)

Terms and security

The bank loans are secured by a first legal charge over property assets, a debenture providing a fixed and floating charge over other assets and a group cross guarantee (note 25).

17. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	172,549	261,909	-	-
Released during the year (P&L)	(10,687)	(89,360)	-	-
At end of year	<u>161,862</u>	<u>172,549</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	(3,040)	(4,353)	-	-
Timing difference relating to deferred lease premium	164,902	176,902	-	-
	<u>161,862</u>	<u>172,549</u>	<u>-</u>	<u>-</u>

Details of deferred tax assets and unprovided deferred tax liabilities are disclosed in note 9.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

18. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
36,000 A Ordinary shares shares of £1 each	36,000	36,000
400 B Ordinary shares shares of £1 each	400	400
400 C Ordinary shares shares of £1 each	400	400
400 D Ordinary shares shares of £1 each	400	400
400 E Ordinary shares shares of £1 each	400	400
400 F Ordinary shares shares of £1 each	400	400
500 G Ordinary shares shares of £1 each	500	500
500 H Ordinary shares shares of £1 each	500	500
500 I Ordinary shares shares of £1 each	500	500
500 J Ordinary shares shares of £1 each	500	500
	<u>40,000</u>	<u>40,000</u>

All classes of share carry equal voting rights and rights on a winding up.

19. RESERVES

	Capital redempt'n reserve £	Investment property revaluation reserve £	Profit and loss account £
Group			
At 1 July 2014	20,000	6,717,230	2,635,714
Profit for the financial year			99,778
Dividends: Equity capital			(591,892)
At 30 June 2015	<u>20,000</u>	<u>6,717,230</u>	<u>2,143,600</u>
Company			
At 1 July 2014	20,000		589,205
Profit for the financial year			591,892
Dividends: Equity capital			(591,892)
At 30 June 2015	<u>20,000</u>		<u>589,205</u>

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Group		
Opening shareholders' funds	9,412,944	7,874,426
Profit for the financial year	99,778	370,818
Dividends (Note 21)	(591,892)	(567,300)
Other recognised gains and losses during the year	-	1,735,000
	<u>8,920,830</u>	<u>9,412,944</u>
 Closing shareholders' funds	 <u><u>8,920,830</u></u>	 <u><u>9,412,944</u></u>
	2015 £	2014 £
Company		
Opening shareholders' funds	649,205	649,205
Profit for the financial year	591,892	567,300
Dividends (Note 21)	(591,892)	(567,300)
	<u>649,205</u>	<u>649,205</u>
 Closing shareholders' funds	 <u><u>649,205</u></u>	 <u><u>649,205</u></u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £591,892 (2014 - £567,300).

21. DIVIDENDS

	2015 £	2014 £
Dividends paid on equity capital	<u>591,892</u>	<u>567,300</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	343,441	839,523
Depreciation of tangible fixed assets	8,929	11,284
Decrease in work in progress	(31,466)	320,039
(Increase)/decrease in debtors	(71,607)	1,379,404
Decrease in amounts owed to joint ventures	-	(5,823)
Decrease in creditors	(180,540)	(607,432)
	<u>68,757</u>	<u>1,936,995</u>
 Net cash inflow from operating activities	 <u><u>68,757</u></u>	 <u><u>1,936,995</u></u>

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	3,153	7,066
Interest paid	(252,328)	(396,623)
Share of operating profit in joint ventures	101	63,409
Net cash outflow from returns on investments and servicing of finance	<u>(249,074)</u>	<u>(326,148)</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(833)</u>	<u>(1,558)</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2014 £	Cash flow £	Other non-cash changes £	30 June 2015 £
Cash at bank and in hand	1,791,963	(789,832)	-	1,002,131
Debt:				
Debts falling due after more than one year	(8,600,000)	-	-	(8,600,000)
Net debt	<u>(6,808,037)</u>	<u>(789,832)</u>	<u>-</u>	<u>(7,597,869)</u>

25. CONTINGENT LIABILITIES

Company

The company, together with its subsidiary undertakings, has entered into a composite banking arrangement to secure group banking facilities. As part of this arrangement, the company is party to a cross guarantee in favour of the bank. The total liabilities covered by the guarantee at the balance sheet date were £8,079,081 (2014: £7,884,400)

26. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the group to the fund and amounted to £31,200 (2014: £31,200). No contributions to the fund were outstanding at the balance sheet date.

KIMBERLEY SECURITIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

27. OPERATING LEASE COMMITMENTS

At 30 June 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
Group	£	£
Expiry date:		
Within 1 year	-	47,500
Between 2 and 5 years	47,500	-

28. RELATED PARTY TRANSACTIONS

FRS8 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

Included within debtors (note 14) are the following balances due from related parties in which the group has a participating interest. These are related parties requiring disclosure under Financial Reporting Standard 8;

	2015	2014
	£	£
North Limited	10,000	10,000
AC&H 181 Limited	932,750	932,750
Less; provision for non recovery	(872,689)	(872,689)
AC&H 231 Limited	593,079	593,079
Less; provision for non recovery	(183,134)	(183,134)
	480,006	480,006

North Limited and AC&H 181 Limited are joint ventures 50% controlled by Kimberley Securities Limited. AC&H 231 Limited is a subsidiary of AC&H 181 Limited.

A working capital loan of £485,000 was advanced by Kimberley Developments Limited to AC&H 231 Limited in July 2012 under an agreement with the Group. Kimberley Developments Limited is entitled to interest at 1% per month and a preference dividend of £100,000 as compensation for this loan, to be paid when AC&H 231 Limited has the financial resources to finance it. During the year interest of £4,850 (2014: £4,850) was accrued for and at 30 June 2015, £14,536 (2014: £9,686) is due to Kimberley Developments Limited (within prepayments).

The other balances represent unsecured, interest free loans which are repayable on demand. On the basis that these companies had net liabilities, provision was made in 2011 where necessary for non-recovery.

29. CONTROLLING PARTIES

The company is controlled by the directors, in so far as they act in concert.

KIMBERLEY SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30. PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

a. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Kimberley Developments Limited	England	100%	Property developers
Kimberley Investments Limited	England	100%	Property investment

b. Principal joint ventures

Company name	Country	Percentage Shareholding	Description
North Limited	Scotland	50%	Property developers
AC&H 231 Limited	Scotland	50%	Property developers & 100% subsidiary of AC&H 181 Limited
AC&H 181 Limited	Scotland	50%	Property developers

Included in the consolidated accounts, using the proportional consolidation method, are the results of Kiafield Properties and Lamarsh Properties, unincorporated joint ventures, in which a subsidiary undertaking, Kimberley Developments Limited, has beneficial interests of 50% and 60% respectively.

Both joint arrangements have a principal place of business at 33 St James's Street, London, SW1 1HD and are managed jointly by their investors.