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# Financial Statements Nicholas King Holdings Plc

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For the year ended 31 December 2012

Parent Accounts.

Acquest Developments Ltd

04364710

Registered number: 06758974

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## Directors' Report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

### Principal activities

The principal activity for the Group during the year under review was property development and housebuilding. It is not intended to alter this activity in the foreseeable future.

### Business review

The financial year under review was a very difficult year for the Group.

The Group produced a reduced turnover of £5.4m (2011: £27.8m) and completed 14 plots (2011: 89 plots).

The main objective for the Directors in the year continued to be to reduce the overall level of indebtedness of the Group. The Group's indebtedness at the end of the year was £2.7m (2011: £8.8m) and the Directors are pleased to report that the Group has continued to receive the support of its backing partners.

The Directors consider the performance of the Group to be consistent with its objectives and general economic conditions.

The Directors have prepared profit and cash forecasts which, if achieved, show the Group to have sufficient financial facilities to continue trading for the foreseeable future. The achievement of the forecasts is inherently uncertain but the Directors are confident that any additional working capital requirements can be managed from current facilities.

### Results and dividends

The loss for the year, after taxation, amounted to £484,000 (2011: loss £4,314,000).

No dividend was paid during the year (2011: £Nil).

### Financial risk management objectives and policies

The directors constantly monitor the risks and uncertainties facing the Group with particular reference to price, credit, liquidity and cash flow risk. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

### Directors

The directors who served during the year were

N G King  
N J P Bilsland  
P J Lobatto  
S E Jacquest  
K J Speller

## Directors' Report

For the year ended 31 December 2012

### Directors' responsibilities statement

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 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.

### Provision of information to auditor

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

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

### Policy on the payment of creditors

As a general policy, suppliers are paid 30 days after the end of the month in which the invoice is received. The suppliers are made aware of this and the Group's policy is to abide by this stated practice. During the year the Group's average payment year was 48 days (2011: 46 days).

### Political and charitable contributions

During the year the Group made charitable donations amounting to £5,000 (2011: £2,200).

Nicholas King Holdings Plc

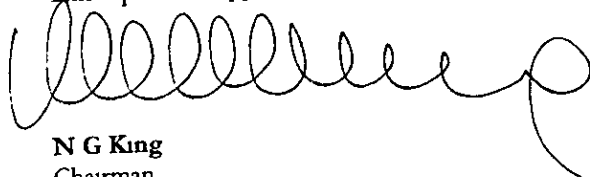
## Directors' Report

For the year ended 31 December 2012

### Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

A handwritten signature in black ink, consisting of a series of loops and a final flourish, positioned above the printed name and title.

**N G King**  
Chairman

Date 24 6 2013

## Independent Auditor's Report to the Members of Nicholas King Holdings Plc

We have audited the financial statements of Nicholas King Holdings Plc for the year ended 31 December 2012, which comprise the Consolidated Profit and loss account, the Consolidated and Company Balance sheets, the Consolidated Cash flow statement and the related notes. 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 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 (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 Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2012 and of the Group's 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.

### **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.



## Independent Auditor's Report to the Members of Nicholas King Holdings Plc

### **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

A handwritten signature in black ink, appearing to read "Robert F Napper".

Robert F Napper (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Reading

Date 27 June 2013

## Consolidated Profit and Loss Account

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
<b>Turnover</b>	1,2	5,392	27,770
Cost of sales		(4,870)	(29,396)
<b>Gross profit/(loss)</b>		522	(1,626)
Administrative expenses		(931)	(922)
<b>Operating loss</b>	3	(409)	(2,548)
Interest receivable and similar income		107	126
Interest payable and similar charges	6	(182)	(1,245)
<b>Loss on ordinary activities before taxation</b>		(484)	(3,667)
Tax on loss on ordinary activities	7	-	(647)
<b>Loss for the financial year</b>	18	(484)	(4,314)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 10 to 21 form part of these financial statements

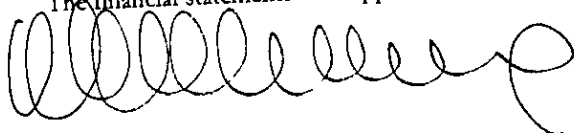


## Consolidated Balance Sheet

As at 31 December 2012

	Note	£000	2012 £000	2011 £000
<b>Fixed assets</b>				
Tangible assets	8		-	-
<b>Current assets</b>				
Stocks	10	1,263		5,984
Debtors	11	779		914
Cash at bank		210		1,331
		<u>2,252</u>		<u>8,229</u>
<b>Creditors amounts falling due within one year</b>	13	<u>(4,166)</u>		<u>(9,659)</u>
<b>Net current liabilities</b>			<u>(1,914)</u>	<u>(1,430)</u>
<b>Net liabilities</b>			<u>(1,914)</u>	<u>(1,430)</u>
<b>Capital and reserves</b>				
Called up share capital	17		2,310	2,310
Profit and loss account	18		<u>(4,224)</u>	<u>(3,740)</u>
<b>Shareholders' deficit</b>	19		<u>(1,914)</u>	<u>(1,430)</u>

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



**N G King**  
Chairman

Date 24.6.2013

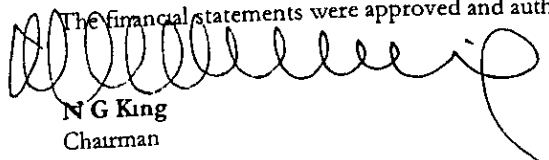
The notes on pages 10 to 21 form part of these financial statements

## Company Balance Sheet

As at 31 December 2012

	Note	£000	2012 £000	£000	2011 £000
<b>Fixed assets</b>					
Investments	9		2,260		2,260
<b>Current assets</b>					
Debtors	11	6		12	
Cash at bank		<u>1</u>		<u>6</u>	
		7		18	
<b>Creditors amounts falling due within one year</b>	13	<u>(52)</u>		<u>(55)</u>	
<b>Net current liabilities</b>			<u>(45)</u>		<u>(37)</u>
<b>Net assets</b>			<u>2,215</u>		<u>2,223</u>
<b>Capital and Reserves</b>					
Called up share capital	17		2,310		2,310
Profit and loss account	18		<u>(95)</u>		<u>(87)</u>
<b>Shareholders' funds</b>	19		<u>2,215</u>		<u>2,223</u>

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

  
N G King  
Chairman

Date 24 6 2013

The notes on pages 10 to 21 form part of these financial statements

## Consolidated Cash Flow Statement

For the year ended 31 December 2012

	Note	2012 £000	2011 £000
Net cash flow from operating activities	20	5,350	16,859
Returns on investments and servicing of finance	21	(75)	(1,372)
Taxation	21	(242)	-
Capital expenditure and financial investment	21	-	49
<b>Cash inflow before financing</b>		<b>5,033</b>	<b>15,536</b>
Financing	21	(6,153)	(18,894)
<b>Decrease in cash in the year</b>		<b>(1,120)</b>	<b>(3,358)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 December 2012

	2012 £000	2011 £000
Decrease in cash in the year	(1,120)	(3,358)
Cash outflow from decrease in debt and lease financing	6,153	18,894
<b>Movement in net debt in the year</b>	<b>5,033</b>	<b>15,536</b>
Net debt at 1 January 2012	(7,504)	(23,040)
<b>Net debt at 31 December 2012</b>	<b>(2,471)</b>	<b>(7,504)</b>

The notes on pages 10 to 21 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 December 2012

## 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 Directors have reviewed the principal accounting policies below and consider them to remain appropriate

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate

The Directors have considered the recent trading results of the Group in conjunction with profit and cash flow forecasts which, if achieved, show the Group to have sufficient financial facilities to continue trading for the foreseeable future. The achievement of the forecasts is inherently uncertain but the Directors are confident that any additional working capital requirements can be managed from current facilities

### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Nicholas King Holdings Plc and all of its subsidiary undertakings ('subsidiaries'). Acquisitions are accounted for under the acquisition method of accounting. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively

The results of subsidiaries acquired during the year are included from the effective date of acquisition

### 1.3 Turnover

Turnover consists of property sales, net of discounts, excluding value added tax and sale of freehold and leasehold assets. Properties are treated as sales and included in turnover only when legal completion takes place within the financial year

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25%
Fixtures & fittings	-	50%

### 1.5 Investments

Investments in subsidiaries are valued at cost less provision for impairment

### 1.6 Operating leases

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

# Notes to the Financial Statements

For the year ended 31 December 2012

## 1. Accounting Policies (continued)

### 17 Work in progress

Work in progress is valued at direct cost less foreseeable losses and payments received in advance

### 18 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

### 19 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

### 110 Interest payable

Interest payable on bank and other borrowings is written off to the profit and loss account as incurred

### 111 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

## 2. Turnover

All turnover arose within the United Kingdom

# Notes to the Financial Statements

For the year ended 31 December 2012

## 3. Operating loss

The operating loss is stated after charging/(crediting)

	2012 £000	2011 £000
Depreciation of tangible fixed assets		
- owned by the group	-	1
- held under finance leases	-	10
Auditor's remuneration	15	15
Auditor's remuneration - non-audit	3	3
Operating lease rentals		
- plant and machinery	72	45
- other operating leases	218	218
Rent receivable	(60)	(67)
Management charges receivable from related party undertakings	(1,184)	(1,128)
	<u>          </u>	<u>          </u>

## 4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	1,615	1,766
Social security costs	185	203
Other pension costs	96	132
	<u>          </u>	<u>          </u>
	<u>1,896</u>	<u>2,101</u>

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

	2012 No	2011 No
Administrative	18	22
Site	14	16
	<u>          </u>	<u>          </u>
	<u>32</u>	<u>38</u>

# Notes to the Financial Statements

For the year ended 31 December 2012

## 5. Directors' remuneration

	2012 £000	2011 £000
Emoluments	<u>747</u>	<u>824</u>
Company pension contributions to defined contribution pension schemes	<u>81</u>	<u>81</u>

During the year retirement benefits were accruing to 6 directors (2011 - 6) in respect of defined contribution pension schemes

The highest paid director received remuneration of £149,000 (2011 - £202,000)

## 6. Interest payable

	2012 £000	2011 £000
On bank loans and overdrafts	171	1,274
On other loans	11	8
On finance leases and hire purchase contracts	-	2
Discounting of long term debtors	-	(39)
	<u>182</u>	<u>1,245</u>

## 7. Taxation

	2012 £000	2011 £000
<b>Analysis of tax charge in the year</b>		
Current tax (see note below)	-	242
Adjustments in respect of prior periods	<u>-</u>	<u>-</u>
<b>Deferred tax (see note 12)</b>		
Origination and reversal of timing differences	<u>-</u>	<u>405</u>
Tax on loss on ordinary activities	<u>-</u>	<u>647</u>

# Notes to the Financial Statements

For the year ended 31 December 2012

## 7. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.50% (2011 - 26.49%). The differences are explained below:

	2012 £000	2011 £000
Loss on ordinary activities before tax	(484)	(3,667)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.50% (2011 - 26.49%)	(119)	(971)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4	5
Capital allowances for year in excess of depreciation	2	(32)
Utilisation of tax losses	-	(25)
Adjustments to tax charge in respect of prior periods	-	242
Unrelieved tax losses carried forward	113	1,030
Land remediation enhanced expenditure	-	(7)
Current tax charge for the year (see note above)	-	242

## 8. Tangible fixed assets

Group	Motor vehicles £000	Fixtures & fittings £000	Total £000
<b>Cost</b>			
At 1 January 2012	50	32	82
Disposals	(24)	-	(24)
At 31 December 2012	26	32	58
<b>Depreciation</b>			
At 1 January 2012	50	32	82
On disposals	(24)	-	(24)
At 31 December 2012	26	32	58
<b>Net book value</b>			
At 31 December 2012	-	-	-
At 31 December 2011	-	-	-

The depreciation charged to the financial statements in the year in respect of assets held under finance leases or hire purchase contracts amounted to £nil (2011 £10,000)



# Notes to the Financial Statements

For the year ended 31 December 2012

## 9. Investments

### Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Nicholas King Homes Holdings Plc	Ordinary	100%
Nicholas King (No 1) Limited	Ordinary	100%
Nicholas King (No 2) Limited	Ordinary	100%
Acquest Development Limited	Ordinary	100%
Nicholas King Special Projects Limited *	Ordinary	100%
Nicholas King Homes Plc *	Ordinary	100%
Podhotelslondon Limited (dormant) *	Ordinary	100%
Nicholas King Marketing Limited *	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Nicholas King Homes Holdings Plc	2,097	-
Nicholas King (No 1) Limited	(1,691)	(263)
Acquest Development Limited	1	-
Nicholas King Special Projects Limited *	(589)	676
Nicholas King Homes Plc *	407	3,750
Nicholas King Marketing Limited *	1	243

Nicholas King (No 2) Limited and Podhotelslondon Limited did not trade during the year and each had share capital and reserves of less than £1,000

\* These subsidiaries are held indirectly through the intermediary parent Nicholas King Homes Holding Plc

All subsidiaries are registered in England and are all involved in property development and property investment unless stated otherwise

For the year ended 31 December 2012 the following subsidiaries have taken the available exemption from audit under section 479A of the Companies Act 2006

Nicholas King Homes Holdings Plc (03220023)  
 Nicholas King (No 2) Limited (06768924)  
 Acquest Developments Limited (04364710)  
 Nicholas King Special Projects Limited (01629783)  
 Nicholas King Marketing Limited (05171772)

# Notes to the Financial Statements

For the year ended 31 December 2012

## 9. Investments (continued)

	Investments in subsidiary companies £000
Company	
Cost or valuation	
At 1 January 2012 and 31 December 2012	2,310
Impairment	
At 1 January 2012 and 31 December 2012	50
Net book value	
At 31 December 2012	2,260
At 31 December 2011	2,260

## 10. Stocks

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Work in progress	1,263	5,985	-	-
Payments on account	-	(1)	-	-
	1,263	5,984	-	-

## 11. Debtors

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Trade debtors	295	465	-	-
Amounts owed by group undertakings	-	-	6	12
Other debtors	469	434	-	-
Tax recoverable	15	15	-	-
	779	914	6	12

Included within trade debtors is an amount of £282,000 (2011 - £318,000) due in greater than one year

# Notes to the Financial Statements

For the year ended 31 December 2012

## 12. Deferred taxation

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
At beginning of year	-	(405)	-	-
Profit and loss account movement in the year	-	405	-	-
At end of year	-	-	-	-

## 13. Creditors: Amounts falling due within one year

	Group		Company	
	2012 £000	2011 £000	2012 £000	2011 £000
Bank loans and overdrafts	2,681	8,835	-	-
Trade creditors	166	119	-	-
Amounts owed to related party undertakings	880	145	-	-
Corporation tax	-	242	-	-
Social security and other taxes	205	92	-	-
Other creditors	99	107	52	55
Accruals and deferred income	135	119	-	-
	4,166	9,659	52	55

Bank loans and overdrafts are secured by fixed and floating charges over the assets and undertakings of the Group. N G King, a Director of the Company, provides limited and unlimited guarantees on the bank loans above.

## 14. Operating lease commitments

At 31 December 2012 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £000	2011 £000	2012 £000	2011 £000
Group				
Expiry date				
Between 2 and 5 years	-	-	40	19
After more than 5 years	218	218	-	-

# Notes to the Financial Statements

For the year ended 31 December 2012

## 15. Contingencies

There is a bank composite accounting arrangement in favour of Barclays Bank Plc between Nicholas King Homes Holdings Plc, Nicholas King Special Projects Limited and Nicholas King Homes Plc. At 31 December 2012, the potential liability on this guarantee amounted to £Nil (2011 £Nil).

## 16. Related party transactions

In 2010, the Group was advanced funds from N G King, a director of the company, in the form of a loan. The maximum loan due to N G King during 2012 was £270,000 (2011 £198,000). The loan balance due to N G King at 31 December 2012 was £51,000 (2011 £59,000). This loan is included under other creditors. Interest is payable on this loan on an arms length basis.

The Group has provided management services to the Nicholas King Developments Plc group of companies, a group owned by N G King, a director of the company, and received funds from that group. The maximum amount due to the related party undertaking was £880,000 (2011 £145,000). Interest is payable on the loan on an arms length basis.

The Company has adopted the provision of FRS 8 'Related Party Disclosures'. The Company has utilised the exemption available under FRS 8 allowing non-disclosure of transactions within Group companies eliminated upon consolidation where the subsidiaries are 100% owned.

## 17. Share capital

	2012 £000	2011 £000
<b>Authorised</b>		
2,500,002 Ordinary shares of £1 each	2,500	2,500
<b>Allotted, called up and fully paid</b>		
2,310,002 Ordinary shares of £1 each	2,310	2,310

## 18. Reserves

	Profit and loss account £000
<b>Group</b>	
At 1 January 2012	(3,740)
Loss for the year	(484)
<b>At 31 December 2012</b>	<b>(4,224)</b>

# Notes to the Financial Statements

For the year ended 31 December 2012

## 18. Reserves (continued)

	Profit and loss account £000
<b>Company</b>	
At 1 January 2012	(87)
Loss for the year	(8)
	<hr/>
At 31 December 2012	(95)
	<hr/>

## 19. Reconciliation of movement in shareholders' deficit

	2012 £000	2011 £000
<b>Group</b>		
Opening shareholders' (deficit)/funds	(1,430)	3,313
Prior year adjustments		(429)
		<hr/>
Opening shareholders' (deficit)/funds (as restated)		2,884
Loss for the year	(484)	(4,314)
	<hr/>	<hr/>
Closing shareholders' deficit	(1,914)	(1,430)
	<hr/>	<hr/>
	2012 £000	2011 £000
<b>Company</b>		
Opening shareholders' funds	2,223	2,281
Loss for the year	(8)	(58)
	<hr/>	<hr/>
Closing shareholders' funds	2,215	2,223
	<hr/>	<hr/>

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 loss for the year dealt with in the accounts of the Company was £8,000 (2011 - £58,000)

# Notes to the Financial Statements

For the year ended 31 December 2012

## 20. Net cash flow from operating activities

	2012 £000	2011 £000
Operating loss	(409)	(2,548)
Depreciation of tangible fixed assets	-	11
Decrease in stocks	4,721	21,266
Decrease in debtors	139	396
Increase/(decrease) in creditors	164	(5,795)
Increase/(decrease) in amounts owed to related party undertakings	735	3,529
<b>Net cash inflow from operating activities</b>	<b>5,350</b>	<b>16,859</b>

## 21. Analysis of cash flows for headings netted in cash flow statement

	2012 £000	2011 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	107	126
Interest paid	(182)	(1,496)
Hire purchase interest	-	(2)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(75)</b>	<b>(1,372)</b>
	2012 £000	2011 £000
<b>Taxation</b>		
Corporation tax paid	(242)	-
	2012 £000	2011 £000
<b>Capital expenditure and financial investment</b>		
Sale of tangible fixed assets	-	49
	2012 £000	2011 £000
<b>Financing</b>		
New secured loans	-	5,106
Repayment of loans	(6,153)	(23,979)
Repayment of other loans	-	(21)
<b>Net cash outflow from financing</b>	<b>(6,153)</b>	<b>(18,894)</b>

# Notes to the Financial Statements

For the year ended 31 December 2012

## 22. Analysis of changes in net debt

	1 January 2012 £000	Cash flow £000	Other non-cash changes £000	31 December 2012 £000
Cash at bank and in hand	1,331	(1,121)	-	210
Bank overdraft	(1)	1	-	-
	<u>1,330</u>	<u>(1,120)</u>	<u>-</u>	<u>210</u>
<b>Debt</b>				
Debts due within one year	(8,834)	6,153	-	(2,681)
<b>Net debt</b>	<u>(7,504)</u>	<u>5,033</u>	<u>-</u>	<u>(2,471)</u>

## 23. Post balance sheet events

After the year end an agreement was reached between Mr N G King and Mrs F A King which resulted in her 50% shareholding of the Nicholas King Holdings Plc group of companies being transferred to Nicholas King Developments Plc. As a result, the Nicholas King Holdings Plc group is controlled by Mr N G King by virtue of common ownership of both this group and the Nicholas King Developments Plc group.

## 24. Controlling party

Nicholas King Holdings Plc is controlled by Mr N G King by virtue of his 50% ownership of the ordinary share capital of Nicholas King Holdings Plc and his 100% ownership of Nicholas King Developments Plc, which holds 50% of the ordinary shares of this group. Mr N G King is a director of the Company.