

Unaudited Financial Statements NK Developments (No 1) Limited

For the period ended 31 March 2016



Registered number: 07106399

NK Developments (No 1) Limited
Registered number 07106399

Company Information

Directors	N G King N J P Bilsland K Speller S Jacquest P J Lobatto
Company secretary	N J P Bilsland
Registered number	07106399
Registered office	10 Penn Road Beaconsfield Buckinghamshire HP9 2LH

NK Developments (No 1) Limited
Registered number.07106399

Contents

	Page
Directors' Report	1
Statement of Income and Retained Earnings	2
Balance Sheet	3
Notes to the Financial Statements	4 - 11

NK Developments (No 1) Limited

Directors' Report

For the period ended 31 March 2016

The directors present their report and the financial statements for the period ended 31 March 2016

Directors

The directors who served during the period were

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

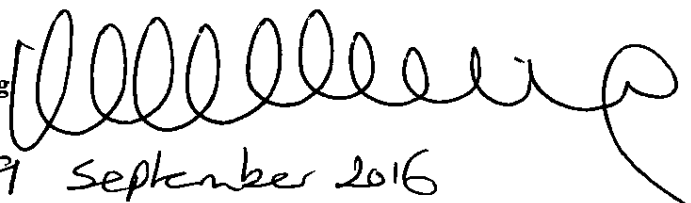
Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

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

N G King
Director

Date



9 September 2016

Statement of Income and Retained Earnings

For the period ended 31 March 2016

	Note	Period ended 31 March 2016 £000	Year ended 31 December 2014 £000
Turnover	3	4,697	1,005
Cost of sales		(3,907)	(609)
Gross profit		790	396
Administrative expenses		(358)	(319)
Operating profit	4	432	77
Share of profit of joint ventures		-	325
Total operating profit		432	402
Interest payable and expenses	6	(223)	(282)
Profit before tax		209	120
Tax on profit	7	-	11
Profit after tax		209	131
Retained earnings at the beginning of the period		695	564
Profit for the period		209	131
Retained earnings at the end of the period		904	695

The notes on pages 4 to 11 form part of these financial statements

Balance Sheet

As at 31 March 2016

	Note	31 March 2016 £000	31 December 2014 £000
Current assets			
Stocks	8	-	3,001
Debtors	9	1,068	1,527
Cash at bank and in hand	10	-	6
		<u>1,068</u>	<u>4,534</u>
Creditors amounts falling due within one year	11	<u>(164)</u>	<u>(3,839)</u>
Net current assets		<u>904</u>	<u>695</u>
Total assets less current liabilities		<u>904</u>	<u>695</u>
Net assets		<u>904</u>	<u>695</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	<u>904</u>	<u>695</u>
		<u>904</u>	<u>695</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Act

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

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

N G King
 Director

Date

9 September 2016

The notes on pages 4 to 11 form part of these financial statements

Notes to the Financial Statements

For the period ended 31 March 2016

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006

Information on the impact of first-time adoption of FRS 102 is given in note 17

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2)

The following principal accounting policies have been applied

1.2 Revenue

Turnover consists of residential property sales, sale of residential and commercial freehold and leasehold assets, and revenue from construction contracts

Revenue and profit from residential property sales is recognised at the point of legal completion for each property

Revenue and profit from the sales of residential and commercial freehold and leasehold assets and from construction contracts is recognised only when the outcome can be estimated reliably

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid

1.4 Stocks

Work in progress and finished stock is valued at direct cost less foreseeable losses and payments received on account. Cost comprises costs of acquisition and development, including directly attributable fees and expenses, direct labour costs and selling costs

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value

Notes to the Financial Statements

For the period ended 31 March 2016

1. Accounting policies (continued)

17 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

19 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.10 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Notes to the Financial Statements

For the period ended 31 March 2016

1. Accounting policies (continued)

1.11 Taxation

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the profit and loss account, when, and if, better information is obtained.

Profit recognition

The recognition of profit on plot sales in accordance with FRS 102 is based on the completed plot sales revenue and is assessed by reference to the proportion of revenue and costs relative to the estimated total revenue and costs of the development at completion. Profit on developments involves judgements in preparing suitable estimates of the forecast costs and revenue on developments. An error in the development forecast could result in a material variance in the amount of profit or loss recognised to date and therefore also in the current period.

WIP accruals

The Company values stocks at the lower of cost and net realisable value. Accrual estimates are calculated at the balance sheet date to ensure that all costs for works undertaken at that date that have not been invoiced have been properly recognised in work in progress. WIP accruals are included in accruals and deferred income.

3. Analysis of turnover

The whole of the turnover is attributable to the principal activities of the company, and arose within the United Kingdom.

4. Operating profit

During the period, no director received any emoluments (31 December 2014 - £Nil)

Notes to the Financial Statements

For the period ended 31 March 2016

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (31 December 2014 - £NIL)

6. Interest payable and similar charges

	31 March 2016 £000	31 December 2014 £000
Bank loan interest payable	223	282
	<u>223</u>	<u>282</u>

7. Taxation

	31 March 2016 £000	31 December 2014 £000
Corporation tax		
Current tax on profit for the year	-	(11)
Total current tax	<u>-</u>	<u>(11)</u>
 Taxation on profit/(loss) on ordinary activities	 <u>-</u>	 <u>(11)</u>

Notes to the Financial Statements

For the period ended 31 March 2016

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (31 December 2014 - lower than) the standard rate of corporation tax in the UK of 20% (31 December 2014 - 20%) The differences are explained below

	2016 £000	2014 £000
Profit on ordinary activities before tax	209	120
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2014 - 20%)	42	24
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(11)
Group relief received	(42)	(24)
Total tax charge for the period/year	-	(11)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

8. Stocks

	31 March 2016 £000	31 December 2014 £000
Work in progress	-	3,001
	-	3,001

Notes to the Financial Statements

For the period ended 31 March 2016

9. Debtors

	31 March 2016 £000	31 December 2014 £000
Amounts owed by group undertakings	1,068	1,505
Other debtors	-	22
	<u>1,068</u>	<u>1,527</u>

10. Cash and cash equivalents

	31 March 2016 £000	31 December 2014 £000
Cash at bank and in hand	-	6
	<u>-</u>	<u>6</u>

11. Creditors: Amounts falling due within one year

	31 March 2016 £000	31 December 2014 £000
Bank loans and overdrafts	-	3,629
Accruals and deferred income	164	210
	<u>164</u>	<u>3,839</u>

Notes to the Financial Statements

For the period ended 31 March 2016

12. Financial instruments

	31 March 2016 £000	31 December 2014 £000
Financial assets		
Financial assets measured at fair value through profit or loss	-	6
Financial assets that are debt instruments measured at amortised cost	1,068	1,527
	<u>1,068</u>	<u>1,533</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(164)	(3,839)
	<u>(164)</u>	<u>(3,839)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and other debtors

Financial liabilities measured at amortised cost comprise accruals

13. Share capital

	31 March 2016 £000	31 December 2014 £000
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

14. Reserves

Profit & loss account

Includes all current and prior period retained profits and losses

15. Related party transactions

The Company has adopted the provisions of FRS 102, Section 33 allowing non-disclosure of transactions within Group companies eliminated upon consolidation where the subsidiaries are 100% owned

Notes to the Financial Statements

For the period ended 31 March 2016

16. Controlling party

The Directors consider the ultimate parent company to be Nicholas King Developments Plc which is incorporated in England and Wales

The largest and smallest group in which the results of the company are consolidated is that headed by Nicholas King Developments Plc. A copy of these accounts may be obtained from Companies House

Nicholas King Developments Plc is controlled by N G King, a director of the company

17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss