

**Company Registration No. 06582221**

**HKD Developments Limited**

**Report and Financial Statements**

**Year ended 31 March 2012**

FRIDAY



\*A109XD4W\*

A20

21/12/2012

#545

COMPANIES HOUSE

# **HKD Developments Limited**

## **Report and financial statements 2012**

| <b>Contents</b>                              | <b>Page</b> |
|----------------------------------------------|-------------|
| <b>Officers and professional advisers</b>    | <b>1</b>    |
| <b>Directors' report</b>                     | <b>2</b>    |
| <b>Directors' responsibilities statement</b> | <b>3</b>    |
| <b>Chartered Accountants' report</b>         | <b>4</b>    |
| <b>Profit and loss account</b>               | <b>5</b>    |
| <b>Balance sheet</b>                         | <b>6</b>    |
| <b>Notes to the financial statements</b>     | <b>7</b>    |

---

# **HKD Developments Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **DIRECTORS**

D C L Keir

K B Bedson

P A Hodge

#### **SECRETARY**

P A Hodge

#### **COMPANY NUMBER**

06582221

#### **REGISTERED OFFICE**

Lumonics House

Valley Drive

Swift Valley

Rugby

Warwickshire

CV21 1TQ

#### **ACCOUNTANTS**

Deloitte LLP

Chartered Accountants

Birmingham, UK

## **HKD Developments Limited**

### **Directors' report**

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

This Directors' report has been produced in accordance with the provisions applicable to companies entitled to the small companies' exemption

#### **PRINCIPAL ACTIVITIES**

The main activity of the company is the redevelopment of land and buildings

The company's subsidiary entities are HKD Northampton Limited and Roxhill (Rugby) Limited. In addition, the company holds a 50% interest in Frenbury (Cockerell Road) Limited

No dividends have been paid or declared in the period (2011 £Nil)

#### **DIRECTORS**

The directors who served throughout the year and to the date of this report were as follows

D C L Keir

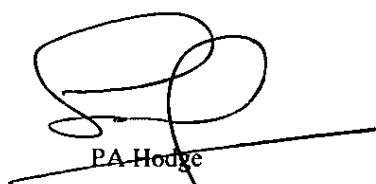
K B Bedson

P A Hodge

#### **GOING CONCERN**

The directors have considered the financial position and future prospects of the company and directors believe that the company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and accordingly, continue to adopt the going concern basis in preparing the annual report and accounts

Approved by the Board of Directors and signed on behalf of the Board



PA Hodge  
Secretary

20 December 2012

# **HKD Developments Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 of the profit or loss of the company 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON  
THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL  
STATEMENTS OF HKD DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31  
MARCH 2012**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of HKD Developments Limited for the year ended 31 March 2012 which comprises the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17 from the company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com/membershandbook](http://www.icaew.com/membershandbook)

This report is made solely to the Board of Directors of HKD Developments Limited, as a body, in accordance with the terms of our engagement letter dated 12 December 2012. Our work has been undertaken solely to prepare for your approval the financial statements of HKD Developments Limited and state those matters that we have agreed to state to you in this report in accordance with AAF 02/10 as detailed at [www.icaew.com/compilation](http://www.icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HKD Developments Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that HKD Developments Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of HKD Developments Limited. You consider that HKD Developments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of HKD Developments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants  
Birmingham, UK  
20 December 2012

# HKD Developments Limited

## Profit and loss account Year ended 31 March 2012

|                                                               | Note | Year to<br>31 March<br>2012<br>£ | Year to 31<br>March<br>2011<br>£ |
|---------------------------------------------------------------|------|----------------------------------|----------------------------------|
| <b>Turnover</b>                                               |      | 946,995                          | 1,696,096                        |
| Cost of sales                                                 |      | -                                | (1,571,670)                      |
| <b>Gross profit</b>                                           |      | 946,995                          | 124,426                          |
| Administrative costs                                          |      | (294,019)                        | (627,754)                        |
| Other income                                                  |      | -                                | -                                |
| <b>Operating profit / (loss)</b>                              | 2    | 652,976                          | (503,328)                        |
| Net interest receivable                                       | 4    | 6                                | 15                               |
| <b>Profit / (loss) on ordinary activities before taxation</b> |      | 652,982                          | (503,313)                        |
| Tax on loss on ordinary activities                            | 5    | -                                | -                                |
| <b>Profit/ (loss) on ordinary activities after taxation</b>   | 12   | 652,982                          | (503,313)                        |

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 (2011 £Nil) other than those included in the profit and loss account and accordingly a statement of total recognised gains and losses is not presented

# HKD Developments Limited

## Balance Sheet 31 March 2012

|                                                       | Note | 2012<br>£          | 2011<br>£          |
|-------------------------------------------------------|------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |
| Tangible fixed assets                                 | 6    | -                  | 206,996            |
| Fixed asset investments                               | 7    | 2                  | 2                  |
|                                                       |      | <u>2</u>           | <u>206,998</u>     |
| <b>Current assets</b>                                 |      |                    |                    |
| Debtors                                               | 8    | 2,288,872          | 1,581,986          |
| Cash at bank and in hand                              |      | 191,062            | 1,870,425          |
|                                                       |      | <u>2,479,934</u>   | <u>3,452,411</u>   |
| <b>Creditors: amounts falling due within one year</b> | 9    | <u>(2,665,445)</u> | <u>(4,497,900)</u> |
| <b>Net current liabilities</b>                        |      | <u>(185,511)</u>   | <u>(1,045,489)</u> |
| <b>Net liabilities</b>                                |      | <u>(185,509)</u>   | <u>(838,491)</u>   |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 10   | 200                | 200                |
| Profit and loss account                               | 11   | <u>(185,709)</u>   | <u>(838,691)</u>   |
| <b>Total shareholders' deficit</b>                    | 12   | <u>(185,509)</u>   | <u>(838,491)</u>   |

For the year ending 31 March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

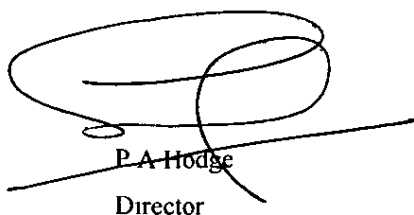
### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements of HKD Developments Limited, registered number 06582221, were approved by the board of directors and authorised for issue on 20 December 2012

Signed on behalf of the Board of Directors

  
P. A. Hodge  
Director

# **HKD Developments Limited**

## **Notes to the financial statements Year ended 31 March 2012**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, and have been applied consistently in the current year and the preceding period. The particular accounting policies adopted are described below.

#### **Basis of accounting**

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

#### **Going concern**

The directors have considered the financial position and future prospects of the company and directors believe that the company has access to sufficient resources to manage its business risks successfully despite the current uncertain economic outlook. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and accordingly, have adopted the going concern basis in preparing the annual report and accounts.

#### **Exemption from preparing consolidated financial statements**

The company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided in Section 398 of the Companies Act 2006 not to prepare group accounts.

#### **Turnover**

The whole of the turnover is attributable to the principal activity of the company, that of land development. Turnover is recognised on legal completion of the sale of the land.

All turnover arose within the United Kingdom.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and appropriate proportion of fixed and variable overheads.

#### **Tangible fixed assets**

Depreciation is based on historical cost, less the estimated residual values, and the estimated economic life of the assets concerned. Depreciation is charged in equal annual instalments over the period of the estimated economic life of assets, which are principally as follows -

|                       |         |
|-----------------------|---------|
| Office equipment      | 3 years |
| Fixtures and fittings | 5 years |

#### **Fixed asset investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax is measured on a non-discounted basis.

# HKD Developments Limited

## Notes to the financial statements (continued) Year ended 31 March 2012

### 2 Operating loss

|                                                                                         | Year ended<br>31 March<br>2012<br>£ | Year ended<br>31 March<br>2011<br>£ |
|-----------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Operating loss is stated after charging:</b>                                         |                                     |                                     |
| Depreciation of owned assets                                                            | -                                   | 52,222                              |
| Fees payable to the company's accountants for the preparation of the company's accounts | 1,000                               | 2,000                               |
| Fees payable to the company's accountants for tax services                              | 750                                 | 2,400                               |
|                                                                                         | <u>1,750</u>                        | <u>44,622</u>                       |

### 3. Staff costs and directors' remuneration

The average monthly number of employees (including executive directors) was

|                                       | Year ended<br>31 March<br>2012<br>Number | Year ended<br>31 March<br>2011<br>Number |
|---------------------------------------|------------------------------------------|------------------------------------------|
| Property development and construction | 2                                        | 4                                        |
| Administration                        | 1                                        | 5                                        |
|                                       | <u>3</u>                                 | <u>9</u>                                 |

Their aggregate remuneration comprised

|                       | Year ended<br>31 March<br>2012<br>£ | Year ended<br>31 March<br>2011<br>£ |
|-----------------------|-------------------------------------|-------------------------------------|
| Wages and salaries    | -                                   | 205,334                             |
| Social security costs | -                                   | 122,130                             |
| Pension costs         | -                                   | 29,166                              |
|                       | <u>-</u>                            | <u>356,630</u>                      |

The directors received no emoluments for their services to this company in either the current or preceding year

### 4. Net interest receivable/(payable)

|                          | Year ended<br>31 March<br>2012<br>£ | Year ended<br>31 March<br>2011<br>£ |
|--------------------------|-------------------------------------|-------------------------------------|
| Bank interest receivable | 6                                   | 15                                  |
|                          | <u>6</u>                            | <u>15</u>                           |

# HKD Developments Limited

## Notes to the financial statements (continued) Year ended 31 March 2012

### 5 Taxation

#### Factors affecting tax charge for the year

The tax assessed for the period is equal to that resulting from applying the standard rate of corporation tax in the UK 26% (2011 28%)

|                                                                       | Year ended<br>31 March<br>2012<br>£ | Year ended<br>31 March<br>2011<br>£ |
|-----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit / (loss) on ordinary activities before tax                     | 652,982                             | (503,313)                           |
| Tax at 26% (2011 28%) thereon                                         | 169,775                             | (140,928)                           |
| <b>Effects of:</b>                                                    |                                     |                                     |
| Expenses not deductible for tax purposes                              | 177                                 | 7,203                               |
| Fixed asset timing differences                                        | 29,780                              | (13,234)                            |
| Losses carried forward not utilised                                   | 9,953                               | 146,959                             |
| Brought forward losses utilised not recognised in deferred tax        | (224,459)                           | -                                   |
| Group relief surrendered for nil payment                              | 14,773                              | -                                   |
| Current tax charge for period and profit before tax at 26% (2011 28%) | -                                   | -                                   |

#### Deferred tax

The company has unrelieved losses carried forward of £38,280 (2011 £880,323). No deferred tax asset has been recognised in respect of these losses as the timing of future profits which could be offset against these is uncertain.

|                                              | 2012<br>£ | 2011<br>£ |
|----------------------------------------------|-----------|-----------|
| <b>Analysis of deferred tax balance:</b>     |           |           |
| Capital allowances in excess of depreciation | -         | 35,799    |
| Short term timing differences                | -         | (35,799)  |
|                                              | -         | -         |

On 21 March 2012 the Government announced that the main rate of Corporation Tax rate would reduce to 24% with effect from 1 April 2012, with subsequent 1% reductions per annum to reach 22% with effect from 1 April 2014. These further tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements.

## HKD Developments Limited

### Notes to the financial statements (continued) Year ended 31 March 2012

#### 6. Tangible Fixed Assets

|                                 | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|---------------------------------|-------------------------------|--------------------------|------------|
| <b>Cost</b>                     |                               |                          |            |
| At 1 April 2011                 | 56,237                        | 217,609                  | 273,846    |
| Disposals                       | (56,237)                      | (217,609)                | (273,846)  |
| At 31 March 2012                | -                             | -                        | -          |
| <b>Accumulated depreciation</b> |                               |                          |            |
| At 1 April 2011                 | 18,876                        | 47,974                   | 66,850     |
| Disposals                       | (18,876)                      | (47,974)                 | (66,850)   |
| At 31 March 2012                | -                             | -                        | -          |
| <b>Net book value</b>           |                               |                          |            |
| At 31 March 2011                | 37,361                        | 169,635                  | 206,996    |
| At 31 March 2012                | -                             | -                        | -          |

#### 7. Investments

The company has investments in the following wholly owned subsidiary undertakings, both of which are incorporated in England & Wales

|                         | Principal activity            | 31 March<br>2012<br>£ | 31 March<br>2011<br>£ |
|-------------------------|-------------------------------|-----------------------|-----------------------|
| HKD Northampton Limited | Land & property redevelopment | 1                     | 1                     |
| Roxhill (Rugby) Limited | Land & property redevelopment | 1                     | 1                     |
|                         |                               | <u>2</u>              | <u>2</u>              |

The company also holds a 50% interest in Frenbury (Cockerell Road) Limited, with a cost of less than £1

# HKD Developments Limited

## Notes to the financial statements (continued) Year ended 31 March 2012

### 8. Debtors

|                                                       | 2012<br>£        | 2011<br>£        |
|-------------------------------------------------------|------------------|------------------|
| <b>Amounts receivable within one year:</b>            |                  |                  |
| Loan receivable from subsidiary undertakings          | -                | 525,000          |
| Interest due on loan to subsidiary undertakings       | -                | 291,576          |
| Trade debtors receivable from subsidiary undertakings | 21,630           | 573,032          |
| Trade debtors receivable from related parties         | 1,728,335        | -                |
| Loan receivable from related party undertakings       | -                | 151,250          |
| Amounts receivable from company directors             | 14,766           | 10,764           |
| Trade debtors                                         | 523,131          | -                |
| Prepayments                                           | -                | 18,054           |
| Other tax and social security                         | 1,010            | 12,310           |
|                                                       | <u>2,288,872</u> | <u>1,581,986</u> |

### 9. Creditors, amounts falling due within one year

|                                             | 2012<br>£        | 2011<br>£        |
|---------------------------------------------|------------------|------------------|
| Trade creditors                             | 16               | 31,225           |
| Accruals and deferred income                | 2,400            | 9,043            |
| Loan from company directors                 | 2,138,103        | 3,578,103        |
| Interest due on loan from company directors | 500,443          | 500,443          |
| Amounts due to subsidiary undertakings      | 24,483           | 379,086          |
|                                             | <u>2,665,445</u> | <u>4,497,900</u> |

### 10. Called up share capital

|                                             | 2012<br>£  | 2011<br>£  |
|---------------------------------------------|------------|------------|
| <b>Called up and allotted</b>               |            |            |
| 48 (2011 100) ordinary shares of £1 each    | 48         | 48         |
| 152 (2011 nil) A ordinary shares of £1 each | 152        | 152        |
|                                             | <u>200</u> | <u>200</u> |

The ordinary shares have attached to them full dividend and capital distribution rights. The ordinary shares can be redeemed at the option of the Company or the shareholder concerned but do not contain any voting rights.

The A ordinary shares have attached to them full dividend, capital distribution and voting rights. The A ordinary shares can be redeemed at the option of the Company or the shareholder concerned.

# HKD Developments Limited

## Notes to the financial statements (continued) Year ended 31 March 2012

### 11. Reserves

|                                                              | Profit and<br>loss account<br>£ |
|--------------------------------------------------------------|---------------------------------|
| At 1 April 2011                                              | (838,691)                       |
| Profit/ (loss) for the period                                | 652,982                         |
| At 31 March 2012                                             | <u>(185,709)</u>                |
| No dividends were paid or declared in the period (2011 £Nil) |                                 |

### 12. Reconciliation of movements in shareholders' deficit

|                                        | 2011<br>£        | 2011<br>£        |
|----------------------------------------|------------------|------------------|
| Profit/ (loss) for the period          | 652,982          | (503,313)        |
| Issue of new share capital             | -                | 100              |
| Opening shareholders' (deficit)        | (838,491)        | (335,278)        |
| Closing shareholders' funds/ (deficit) | <u>(185,509)</u> | <u>(838,491)</u> |

### 14. Capital commitments

At 31 March 2012 the company had no capital commitments (2011 £Nil)

### 15. Related party transactions

During the period the company had loans owed to directors as noted in the table below

|                                                 | D C L Keir<br>£  | J A D<br>Dalby<br>£ | P A Hodge<br>£ | K Bedson<br>£ | Total<br>£       |
|-------------------------------------------------|------------------|---------------------|----------------|---------------|------------------|
| <b>Balances at 1 April 2011</b>                 |                  |                     |                |               |                  |
| Loan owed to the directors                      | 1,433,821        | 1,440,003           | 704,479        | -             | 3,578,303        |
| Interest on loan owed to the directors          | 206,573          | 189,683             | 104,187        | -             | 500,443          |
| Amounts due for share capital                   | (76)             | (76)                | (38)           | (10)          | (200)            |
| Total at 1 April 2011                           | <u>1,640,318</u> | <u>1,629,610</u>    | <u>808,628</u> | <u>(10)</u>   | <u>4,078,546</u> |
| <b>Transactions in Year ended 31 March 2012</b> |                  |                     |                |               |                  |
| Repayments of loan                              | (976,000)        | (976,000)           | (488,000)      | -             | (2,840,000)      |
| Additional loan                                 | 400,000          | 400,000             | 200,000        | -             | 1,400,000        |
| <b>Balances at 31 March 2011</b>                |                  |                     |                |               |                  |
| Loan owed to the directors                      | 857,821          | 864,003             | 416,479        | -             | 2,138,303        |
| Interest on loan owed to the directors          | 206,573          | 189,683             | 104,187        | -             | 500,443          |
| Amounts due for share capital                   | (76)             | (76)                | (38)           | (10)          | (200)            |
| Total at 31 March 2012                          | <u>1,064,318</u> | <u>1,053,610</u>    | <u>520,628</u> | <u>(10)</u>   | <u>2,638,546</u> |

# HKD Developments Limited

## Notes to the financial statements (continued) Year ended 31 March 2012

### 15. Related party transactions (continued)

|                                                               | 31 March<br>2012<br>£ | 31 March<br>2011<br>£ |
|---------------------------------------------------------------|-----------------------|-----------------------|
| <b>Debtors:</b>                                               |                       |                       |
| <b>Loans receivable from subsidiary undertakings:</b>         |                       |                       |
| HKD Northampton Limited                                       | -                     | 525,000               |
| <b>Interest due on loan to subsidiary undertakings:</b>       |                       |                       |
| HKD Northampton Limited                                       | -                     | 291,576               |
| <b>Trade debtors receivable from subsidiary undertakings:</b> |                       |                       |
| Roxhill (Rugby) Limited - trading balances                    | 21,630                | 573,032               |
| Romxhill Management – trading balances                        | 1,728,335             | -                     |
| <b>Loan receivable from related party undertakings</b>        |                       |                       |
| Frenbury (Cockerell Road) Limited                             | -                     | 151,250               |
| <b>Receivable from current and former company directors:</b>  |                       |                       |
| P A Hodge                                                     | 1,462                 | 1,131                 |
| D C L Keir                                                    | 10,574                | 7,129                 |
| J A D Dalby                                                   | 2,730                 | 2,504                 |

The loan due from HKD Northampton Limited has been fully repaid during the year

The loan to Frenbury (Cockerell Road) Limited has increased by £36,500 during the year and a full provision of £187,750 is held against this amount at 31 March 2012 (£nil provision at 31 March 2011)

No further provisions were held against any of the above debtor balances at either 31 March 2012 or 31 March 2011

|                                                | 31 March<br>2012<br>£ | 31 March<br>2011<br>£ |
|------------------------------------------------|-----------------------|-----------------------|
| <b>Creditors</b>                               |                       |                       |
| <b>Amounts due to subsidiary undertakings:</b> |                       |                       |
| HKD Northampton Limited                        | (24,283)              | (379,086)             |

The balance due to HKD Northampton Limited has reduced by £354,803 due to payments made in the period

### 16. Subsequent events

There were no significant events after the balance sheet date that required disclosure in the accounts

### 17. Controlling party

The company is controlled by its three directors who together hold all the share capital of the company