

HERON'S REACH DEVELOPMENTS LIMITED

Directors' Report and Financial Statements

for the 12 months to 31 March 2017

Registered number 02554549

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Heron's Reach Developments Limited

Directors' Report and Financial Statements for the 12 months to 31 March 2017

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Heron's Reach Developments Limited

Company Information

Directors

Ian John Hares

John Gornall

Secretary

Claire Louise Craigie

Registered office

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

Heron's Reach Developments Limited

Directors' Report

The Directors present their Report and Financial Statements for the year to 31 March 2017. Heron's Reach Developments Limited ('the Company') is a limited liability company incorporated and domiciled in the United Kingdom.

Principal activity and business review

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the 'Act'). The Directors' report has therefore been prepared taking into consideration the entitlement to small companies' exemptions provided in section 414B (as incorporated to the Act by the Strategic Report and Directors' Regulations 2013) of the Act.

The Company's principal activity was the acquisition, development and disposal of land, primarily for residential purposes.

The Company has not traded during the current or preceding year and consequently made neither a profit nor a loss.

Dividends

No dividend was paid during the year (2016: £nil), and the Directors do not recommend the payment of a final dividend for the year.

Directors and their interests

The Directors who served during the year and up to the date of signing the Financial Statements were as follows:

John Gornall
Ian Hares

Mr Hares is a Director of NRAM Limited ('NRAM') and UK Asset Resolution Limited ('UKAR').

The Directors did not hold any interest in the ordinary shares of the Company during the current or preceding year. The Directors had no interest in the loan capital of NRAM or any other interest in the share or loan capital of its subsidiaries.

Risk management and control

The Directors have responsibility for the overall system of internal control and for reviewing its effectiveness. The effectiveness of the risk management is then monitored on an ongoing basis. Details of the financial risk management within the Company are given in note 8.

Directors' indemnities

Qualifying third party indemnity provision for the benefit of all Directors was in force during the year under review, and remains in force at the date of approval of the Directors' Report and Financial Statements.

UKAR has also arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

Heron's Reach Developments Limited

Directors' Report (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 period. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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.

Strategic Report

The Company is entitled to the small companies exemption from the requirement to prepare a Strategic Report.

Independent auditors

For the year to 31 March 2017, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.



John Gornall

Director

6 December 2017

Heron's Reach Developments Limited

Statement of Comprehensive Income

During the current and preceding year the Company received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss and no Statement of Comprehensive Income has been presented.

Heron's Reach Developments Limited

Balance Sheet

	Note	At 31 March 2017 £	At 31 March 2016 £
Assets			
Other assets	4	30,083	30,083
Total assets		30,083	30,083
Liabilities			
Other liabilities	5	4,590,821	4,590,821
Total liabilities		4,590,821	4,590,821
Net liabilities		4,560,738	4,560,738
Shareholders' deficit			
Share Capital	6	2	2
Accumulated losses		(4,560,740)	(4,560,740)
Total shareholders' deficit		(4,560,738)	(4,560,738)

The notes on pages 10 to 13 form an integral part of these Financial Statements.

The Directors:

(a) confirm these Financial Statements were delivered with no profit and loss account in accordance with provisions under section 444(5) of the Companies Act (the 'Act') applicable to companies subject to the small companies' regime;

(b) confirm that the Company was entitled to exemption under section 480 (1) of the Act from the requirement to have its Financial Statements for the year to 31 March 2017 audited;


(c) confirm that the members have not required the Company to obtain an audit of its Financial Statements for that financial period in accordance with section 476 of the Act;

(d) ensure that the Company keeps accounting records which comply with section 386 of the Act; and

(e) prepare the Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of the Act relating to Financial Statements, so far as they are applicable to the Company.

The Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Financial Statements were approved by the Board of Directors and authorised for issue and signed on its behalf by:



John Gornall

Director

6 December 2017

Heron's Reach Developments Limited

Statement of Changes in Equity

For the 12 months to 31 March 2017

	Share capital £	Accumulated losses £	Total equity £
As at 1 April 2016 and 31 March 2017	2	(4,560,740)	(4,560,738)

For the 12 months to 31 March 2016

	Share capital £	Accumulated losses £	Total equity £
As at 1 April 2015 and 31 March 2016	2	(4,560,740)	(4,560,738)

Heron's Reach Developments Limited

Cash Flow Statement

During the current and preceding year the Company had no cash or cash equivalents and no cash transactions. Accordingly no Cash Flow Statement has been presented.

The Company had no significant non-cash transactions during the current and preceding year.

Heron's Reach Developments Limited

Notes to the Financial Statements

1. Principal accounting policies

The Company is a limited liability company incorporated and domiciled in the United Kingdom.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRS').

The Financial Statements comply with the relevant provisions of Part 15 of the Companies Act 2006 and regulations made thereunder.

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis, all of the Company's financial assets and liabilities are carried at amortised cost.

The Financial Statements are presented in pounds sterling, which is the currency of the Company's primary operating environment, and on a going concern basis. The validity of the going concern basis of accounting is dependent upon the funding position of the Company. At the date of approval of these Financial Statements, the NRAM Limited ('NRAM') Group is reliant upon the financing facilities and the guarantee arrangements provided to NRAM by HM Treasury. Withdrawal of the financing facilities or the guarantee arrangements would have a significant impact on the NRAM Group's and the Company's operations and their ability to continue as a going concern, in which case adjustments may have to be made to reduce the carrying value of assets to recoverable amounts and to provide for further liabilities that might arise. At the date of signing these Financial Statements, HM Treasury has confirmed its intentions to continue to provide funding until at least 1 January 2019.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied to the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, IFRIC interpretations issued by the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee) and with those parts of the Companies Act 2006 (the 'Act') applicable to companies reporting under IFRS. A summary of accounting policies is set out below. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates; further information is provided in note 2.

At 31 March 2017, the Company's liabilities exceeded its assets. However, the Directors have prepared the accounts on the going concern basis of accounting in view of the fact that the other liabilities owed by the Company (see note 5) are only payable to the extent that the total of these amounts exceed the losses of the Company.

Heron's Reach Developments Limited

Notes to the Financial Statements (continued)

2. Critical accounting judgements and estimates

In preparation of the Company's Financial Statements, judgements and estimates are made which affect the reported amounts of assets and liabilities; judgements and estimates are kept under continuous evaluation and are based on historical experience, expectations of future events and other factors.

3. Employees and Directors' emoluments

There were no employees during the current and preceding year the Directors did not receive emoluments in respect of their services to the Company.

4. Other assets

	At 31 March 2017 £	At 31 March 2016 £
Group relief receivable	30,083	30,083

The Company has an unprovided deferred tax asset relating to losses carried forward of £145,416 (2016: £145,416). At the Balance Sheet date, it is considered more likely than not that this asset will not be recoverable. These losses can only be offset against future taxable profits generated in the Company and currently there is insufficient evidence to support recognition of a deferred tax asset.

5. Other liabilities

	At 31 March 2017 £	At 31 March 2016 £
Amounts owed to parent undertaking	2,294,840	2,294,840
Other liabilities	2,295,981	2,295,981
	4,590,821	4,590,821

Amounts owed to the parent undertaking and other payables are unsecured, do not carry any interest and are only repayable to the extent that the total of these amounts exceeds the losses of the Company.

6. Share Capital

	At 31 March 2017 £	At 31 March 2016 £
Authorised, allotted but not paid		
2 ordinary shares of £1 each	2	2

There is only one class of ordinary share which carries no right to fixed income.

Heron's Reach Developments Limited

Notes to the Financial Statements (continued)

7. Related party transactions

	At 31 March 2017 £	At 31 March 2016 £
Amounts owed to NRAM	2,294,840	2,294,840

8. Financial risk management

	Financial assets	
	Loans and receivables	
	At 31 March 2017 £	At 31 March 2016 £
Other financial assets	30,083	30,083

	Financial liabilities at amortised cost	
	At 31 March 2017 £	At 31 March 2016 £
Other financial liabilities	4,590,821	4,590,821

The carrying value of each financial asset and liability is considered to be a reasonable approximation of the fair value due to the short term maturity dates of these items.

a) Credit risk

All receivables as at 31 March 2017 are neither past due nor impaired. The maximum credit exposure is the carrying value of the asset.

The Directors are of the opinion that the Company has no other material exposures to market risks

9. Capital structure

Capital is managed by the Company's parent undertaking.

10. Ultimate parent undertaking

Under IFRS, the Company's controlling party during the year and previous year was NRAM, a private limited company incorporated and domiciled in the United Kingdom. NRAM heads the smallest group of companies into which the Financial Statements of the Company are consolidated. Copies of the financial statements of NRAM may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA.

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Notes to the Financial Statements (continued)

10. Ultimate parent undertaking (continued)

NRAM's ultimate parent undertaking is UKAR, a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. UKAR heads the largest group of companies into which the Financial Statements of the Company are consolidated. Copies of the Financial Statements of UKAR may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA. The Company considers Her Majesty's Government to remain its ultimate controlling party. The results of the UKAR Group are consolidated into those of HM Treasury as presented in HM Treasury's Annual Reports and Accounts.

The Company considers Her Majesty's Government to remain its ultimate controlling party. The results of the UKAR Group are consolidated into those of HM Treasury and presented in HM Treasury's Annual Reports and Accounts.

11. Events after the reporting period

The Directors are of the opinion that there have been no significant events which have occurred since 1 April 2017 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in these Financial Statements.