

Larkflame Limited

**Directors' report and financial
statements**

Registered number 02874197

31 December 2016

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company was the letting of property to other group companies. During 2010, the company sold its remaining property to a fellow group undertaking.

Business review

The results for the year are set out on page 5. The company's loss for the financial year was £94,000 (2015: £97,000 loss)

Proposed dividend

The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors who held office during the year were as follows:

P Kane
A Ahmed
D Carr (appointed 5 April 2016)
N Hardcastle

Political and charitable contributions

The company made no political donations or incurred any political expenditure during the year (2015: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

KPMG LLP have notified the directors that they will not be seeking re-appointment. A shareholder resolution for the appointment of Deloitte LLP as auditor of the company is to be proposed.

The directors' report has been prepared taking advantage of the small companies' exemption under Section 415A of the Companies Act 2006.

By order of the board



D Carr
Director

3 Allington Way
Yarm Road Business Park
Darlington
County Durham
DL1 4XT

25 September 2017

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Larkflame Limited

We have audited the financial statements of Larkflame Limited for the year ended 31 December 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Larkflame Limited (continued)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

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September 2017

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	<i>Note</i>	2016 £	2015 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administration expenses		-	-
		<hr/>	<hr/>
Loss before taxation	2-3	-	-
Tax on loss	4	(94,000)	(97,000)
		<hr/>	<hr/>
Loss for the financial year	8	(94,000)	(97,000)
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		(94,000)	(97,000)
		<hr/> <hr/>	<hr/> <hr/>

Balance Sheet
at 31 December 2016

	<i>Note</i>	2016 £	2015 £
Current assets			
Debtors	5	17,186,353	17,186,353
Creditors: amounts falling due within one year	6	(9,592,500)	(9,498,500)
Net assets		7,593,853	7,687,853
Capital and reserves			
Called up share capital	7	8,500,000	8,500,000
Profit and loss account	8	(906,147)	(812,147)
Shareholders' funds		7,593,853	7,687,853

These financial statements were approved by the board of directors on 25 September 2017 and were signed on its behalf by:



D Carr
Director

Company registered number: 02874197

Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	8,500,000	(715,147)	7,784,853
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year			
Profit or loss	-	(97,000)	(97,000)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(97,000)	(97,000)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	8,500,000	(812,147)	7,687,853
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2016	8,500,000	(812,147)	7,687,853
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year			
Profit or loss	-	(94,000)	(94,000)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	(94,000)	(94,000)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	8,500,000	(906,147)	7,593,853
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Larkflame Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Nobia AB includes the Company in its consolidated financial statements. The consolidated financial statements of Nobia AB are available to the public and may be obtained from the address provided in note 10. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Nobia AB include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company's parent undertaking is Nobia Holdings UK Limited which is the parent undertaking of a group of companies engaged in the manufacture, merchanting and retailing of joinery, fitted kitchens, bedrooms, bathrooms and related products.

The UK group meets its day to day working capital requirements through its bank overdraft facilities and loans from Nobia AB, the ultimate parent undertaking and controlling party. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is expected to have a sufficient level of financial resources available through current facilities and therefore the directors believe that the group is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences between accumulated depreciation and tax allowances for the cost of a fixed asset are not provided for if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Expenses and auditor's remuneration

The company is a non-trading entity following the sale of its remaining property to a fellow group undertaking during 2010.

Auditor's remuneration:

	2016 £	2015 £
Audit of these financial statements	-	-

No auditor's remuneration has been charged to the profit and loss account as this is borne by the company's immediate parent undertaking. Auditor's remuneration, borne by the company's immediate parent undertaking, in respect of the audit of these financial statements amounted to £1,000 (2015: £1,000).

3 Directors' remuneration, Staff numbers and costs

No remuneration was paid to the directors, in respect of their services to the company, during the year (2015: £nil). The company had no other employees during the current and the preceding financial year.

4 Taxation

Tax expense recognised in the profit and loss account

	2016 £	2015 £
<i>UK corporation tax</i>		
Current tax on income for the period	94,000	97,000
Adjustments in respect of prior periods	-	-
Total tax expense recognised in profit and loss	94,000	97,000

Reconciliation of effective tax rate

	2016 £	2015 £
Loss for the year	(94,000)	(97,000)
Total tax expense	94,000	97,000
Loss excluding taxation	-	-
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	-	-
Imputed interest receivable on amounts owed by group undertakings	94,000	97,000
Total tax expense recognised in profit or loss	94,000	97,000

Notes (continued)

4 Taxation (continued)

Factors that may affect future current and total tax charges

Reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. These rate reductions will reduce the company's future current tax charge accordingly.

5 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	17,186,353	17,186,353
Due within one year	17,186,353	17,186,353
Due after more than one year	-	-
	17,186,353	17,186,353

Amounts owed by group undertakings are stated after provisions for impairment of £nil (2015: £nil).

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Corporation tax payable	142,500	48,500
Amounts owed to group undertakings	9,450,000	9,450,000
	9,592,500	9,498,500

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

7 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
8,500,000 Ordinary shares of £1 each	8,500,000	8,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends was paid during the year (2015: £nil).

Notes (continued)

8 Reserves

	Profit and loss account £
Balance at 1 January 2015	(715,147)
Loss for the year	(97,000)
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Balance at 31 December 2015	(812,147)
	<hr/>
Balance at 1 January 2016	(812,147)
Loss for the year	(94,000)
	<hr/>
Balance at 31 December 2016	(906,147)
	<hr/>

9 Commitments

There were no capital or non-cancellable operating lease commitments at either the beginning or end of the financial year.

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent undertaking is Nobia Holdings UK Limited, which is incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Nobia AB, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Nobia AB can be obtained from the secretary at Nobia AB, PO Box 70376, SE-107 24, Stockholm, Sweden.

11 Accounting estimates and judgements

In the preparation of the financial statements, it is necessary for the management of the company to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Impairment of amounts owed by group undertakings

The main sensitivity around the recoverability of amounts owed by group undertakings is the future trading performance of these group companies. The directors have conducted a review of the recoverability of amounts owed by group undertakings and no impairment was considered to be necessary.