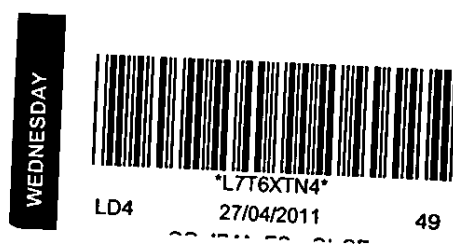




Financial statements

Nicholas King (Marketing) Limited

For the year ended 31 December 2010



Company No. 05171772

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Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2010. This has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

Principal activities and business review

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

Results and dividends

The profit for the year after taxation amounted to £1,000 (2009: £Nil). The Directors have not recommended a dividend (2009: £nil).

Financial risk management objectives and policies

The Directors constantly monitor risks and uncertainties facing the Company 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.

Director

The Directors who served the Company during the year were as follows:

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

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 laws). 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 and 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,
- 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 company will continue in business.

Report of the Directors (continued)

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.

In so far as each of the directors is aware:

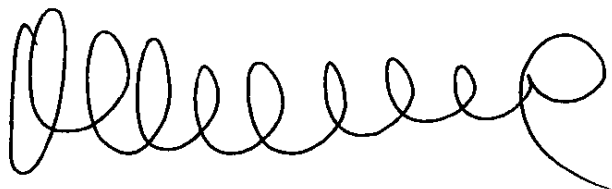
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD



N G KING

Chairman

18/4/11

Company Number 05171772

Registered office

1 Regius Court

Church Road

Penn

Bucks

HP10 8RL



Report of the independent auditor to the member of Nicholas King (Marketing) Limited

We have audited the financial statements of Nicholas King (Marketing) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet 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 set out in the Report of the Directors, 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 APB's website at 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 Company's affairs as at 31 December 2010 and of its profit 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



Report of the independent auditor to the member of Nicholas King (Marketing) 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 prepare the financial statements in accordance with the small companies regime

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
Statutory Auditor, Chartered Accountants
Slough

20 April 2011

Profit and loss account

	Note	2010 £000	2009 £000
Operating profit	2	-	-
Interest receivable		<u>1</u>	<u>-</u>
Profit on ordinary activities before taxation		1	-
Tax on loss on ordinary activities	4	-	-
Profit for the financial year	8	<u>1</u>	<u>-</u>

All of the activities of the Company are classed as continuing

The Company has no recognised gains or losses other than the results for the year as set out above

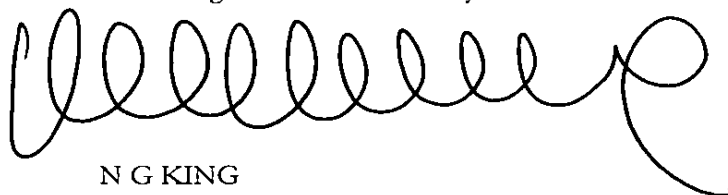
The accompanying notes form an integral part of these financial statements.

Balance sheet

	Note	2010 £000	2009 £000
Current assets			
Cash at bank and in hand		706	101
		<u>706</u>	<u>101</u>
Creditors: amounts falling due within one year	5	(949)	(345)
		<u>(243)</u>	<u>(244)</u>
Net current liabilities			
Total assets less current liabilities		<u>(243)</u>	<u>(244)</u>
Capital and reserves			
Called-up share capital	7	-	-
Profit and loss account	8	(243)	(244)
		<u>(243)</u>	<u>(244)</u>
Shareholders' deficit	9	<u>(243)</u>	<u>(244)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the Directors and authorised for issue on 18/4/11 and are signed on their behalf by



N G KING
 Director

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 2006 and with applicable United Kingdom Accounting Standards and on the historical cost and going concern basis

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

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

The Company is reliant upon continued financial support from its parent entity and other group companies. The Directors believe their expectations of future sustained profitability and positive cash generation in the Group will be sufficient for the needs of the business for the foreseeable future

Cash flow statement

The Company has utilised the exemption provided by FRS 1 Cashflow Statements to omit a cashflow statement from the financial statements. The Company's cashflows are included within the consolidated cashflow statement provided in the accounts of Nicholas King Homes Holdings Plc, copies of which are available from 1 Regus Court, Church Rd, Penn, Bucks HP10 8RL

Interest payable

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

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely that not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date

Notes to the financial statements

1. Principal accounting policies (continued)

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. Operating profit

Operating profit is stated after charging

	2010 £000	2009 £000
Auditor's remuneration		
Audit fees	-	-

The audit fee expense is borne by the parent company.

3. Particulars of employees

No salaries or wages have been paid to employees, including the directors, during the year.

4. Taxation on loss on ordinary activities

a) Analysis of charge in the year

	Note	2010 £000	2009 £000
Current tax			
In respect of the year			
UK Corporation tax based on the results for the year at 28% (2009: 28%)		-	-
Total current tax		-	-

Notes to the financial statements

4. Taxation on loss on ordinary activities

b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is the differ from the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010 £000	2009 £000
Profit on ordinary activities before taxation	<u>1</u>	<u>-</u>
Profit on ordinary activities by rate of tax	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

5. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to Group undertakings	<u>949</u>	<u>345</u>
	<u>949</u>	<u>345</u>

6. Related party transactions

The Company has adopted the provision of FRS8 'Related Party Disclosures'. The Company has utilised the exemption available under FRS8 allowing non-disclosure of transactions within Group companies eliminated upon consolidation where the subsidiaries are 100% owned

Notes to the financial statements

7. Share capital

Authorised share capital

	2010 £000	2009 £000
100 Ordinary shares of £1 each	-	-

Allotted, called up and fully paid

	2010 No	£000	2009 No	£000
Ordinary shares of £1 each	100	-	100	-

8. Profit and loss account

	2010 £000	2009 £000
Balance brought forward	(244)	(244)
Profit for the financial year	1	-
Balance carried forward	(243)	(244)

9. Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Profit for the financial year	1	-
Opening shareholders' deficit	(244)	(244)
Closing shareholders' deficit	(243)	(244)

10. Ultimate parent company

The directors consider the ultimate parent company to be Nicholas King Holdings Plc which is incorporated in England and Wales. Nicholas King Holdings Plc is controlled by N G King and F A King. N G King is a director of Nicholas King (Marketing) Limited.