

COMPANY REGISTRATION NUMBER: 06454511

King Street Developments (Hammersmith) Limited

Financial Statements

31 March 2018



King Street Developments (Hammersmith) Limited

Financial Statements

Year ended 31 March 2018

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King Street Developments (Hammersmith) Limited

Officers and Professional Advisers

The board of directors

T J Murphy
M C Bonning-Snook
M P Keaveney
M Woodrow

Company secretary

Helical Registrars Limited

Registered office

5 Hanover Square
London
W1S 1HQ

Auditor

Grant Thornton UK LLP
Chartered Accountants & statutory auditor
London

King Street Developments (Hammersmith) Limited

Directors' Report

Year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

The directors who served the company during the year were as follows:

T J Murphy
M C Bonning-Snook
M Woodrow
N M F Jopling

(Resigned 20 December 2017)

Directors' responsibilities statement

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 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) 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 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

The Audit and Risk Committee undertook a tender process in respect of the external audit service during the year. Deloitte LLP have been proposed for appointment.

Directors' Report (continued)

Small company provisions

This report was approved by the board of directors on 10 August 2018 and signed by order of the board by:

8000000000

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King Street Developments (Hammersmith) Limited

Independent Auditor's Report to the Members of King Street Developments (Hammersmith) Limited

Opinion

We have audited the financial statements of King Street Developments (Hammersmith) Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

King Street Developments (Hammersmith) Limited

Independent Auditor's Report to the Members of King Street Developments (Hammersmith) Limited *(continued)*

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

King Street Developments (Hammersmith) Limited

Independent Auditor's Report to the Members of King Street Developments (Hammersmith) Limited (continued)

Responsibilities of directors for the financial statements

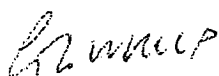
As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Stephen Maslin (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

14 August 2018

King Street Developments (Hammersmith) Limited

Statement of Income and Retained Earnings

Year ended 31 March 2018

	Note	2018 £	2017 £
Cost of sales		<u>1,744,194</u>	<u>(7,588,152)</u>
Gross profit/(loss)		<u>1,744,194</u>	<u>(7,588,152)</u>
Operating profit/(loss)		<u>1,744,194</u>	<u>(7,588,152)</u>
Interest receivable	6	795	50
Interest payable	7	<u>(75)</u>	<u>(310)</u>
Profit/(loss) before taxation		<u>1,744,914</u>	<u>(7,588,412)</u>
Taxation on ordinary activities	8	<u>(331,534)</u>	<u>1,441,798</u>
Profit/(loss) for the financial year and total comprehensive income		<u>1,413,380</u>	<u>(6,146,614)</u>
Retained (losses)/earnings at the start of the year		<u>(6,144,843)</u>	<u>1,771</u>
Retained losses at the end of the year		<u>(4,731,463)</u>	<u>(6,144,843)</u>

All the activities of the company are from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

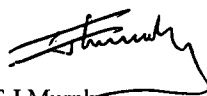
King Street Developments (Hammersmith) Limited

Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Current assets			
Stocks	9	10,500,000	8,500,000
Debtors	10	1,133,108	1,632,801
Cash at bank and in hand		1,931,872	613,914
		<u>13,564,980</u>	<u>10,746,715</u>
Creditors: amounts falling due within one year	11	<u>(18,296,343)</u>	<u>(16,891,458)</u>
Net current liabilities		<u>(4,731,363)</u>	<u>(6,144,743)</u>
Total assets less current liabilities		<u>(4,731,363)</u>	<u>(6,144,743)</u>
Net liabilities		<u>(4,731,363)</u>	<u>(6,144,743)</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	<u>(4,731,463)</u>	<u>(6,144,843)</u>
Members deficit		<u>(4,731,363)</u>	<u>(6,144,743)</u>

These financial statements were approved by the board of directors and authorised for issue on 10 August 2018, and are signed on behalf of the board by:


T J Murphy
Director

Company registration number: 06454511

The notes on pages 9 to 14 form part of these financial statements.

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 5 Hanover Square, London, W1S 1HQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Company information

King Street Developments (Hammersmith) Limited is a company limited by shares incorporated in England within the United Kingdom. The address of its registered office is disclosed on page 1, which is also its principal place of business.

Principal activity

The principal activity of the company during the year was that of property development.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The figures within the financial statements have been rounded to the nearest £.

Turnover

There was no income in the current year or the prior year.

Going concern

These accounts have been prepared on a going concern basis. The company is dependent on the continued support of one of its parent undertakings Helical plc. The directors of that company have indicated that this support will be available for the foreseeable future.

Disclosure exemptions

The entity qualifies as small under section 398 of the Companies Act 2006. As such, advantage has been taken of the following disclosure exemptions available under paragraph 7.1B of FRS 102:

(a) No cash flow statement has been presented for the company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

4. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

Significant judgements

- Recoverability of the stock value, which is dependent on the ability of the company to sell the development.
- Calculation and assessment of the recoverability of deferred tax assets, where it has been assumed that sufficient taxable profits will be available in future periods to allow the asset to be recovered

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- It is assumed that there will be future taxable profits to allow the deferred tax asset to be recovered but if this estimation is incorrect, some or all of the asset will need to be written off in future periods.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

4. Accounting policies (continued)

Financial instruments (continued)

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

5. Administrative expenditure

No staff other than the directors were employed during the period. The directors received no emoluments for the period (2017: £nil).

Auditor's remuneration is borne by Helical plc, the ultimate parent undertaking of Helical Bar Developments Limited, one of the joint controlling parties of the company.

6. Interest receivable

	2018	2017
	£	£
Interest on cash and cash equivalents	795	21
Other interest receivable and similar income	—	29
	<u>795</u>	<u>50</u>

7. Interest payable

	2018	2017
	£	£
Interest on banks loans and overdrafts	—	167
Other interest payable and similar charges	75	143
	<u>75</u>	<u>310</u>

8. Taxation on ordinary activities

Major components of tax expense/(income)

	2018	2017
	£	£
Current tax:		
UK current tax income	(12,971)	—
Deferred tax:		
Origination and reversal of timing differences	344,505	(1,441,798)
Taxation on ordinary activities	<u>331,534</u>	<u>(1,441,798)</u>

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

8. Taxation on ordinary activities (continued)

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is the same as (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	<u>1,744,914</u>	<u>(7,588,412)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>331,534</u>	<u>(1,517,630)</u>
Differences in tax rates	<u>-</u>	<u>75,832</u>
Tax on profit/(loss)	<u>331,534</u>	<u>(1,441,798)</u>

9. Stocks

	2018 £	2017 £
Development Property	<u>10,500,000</u>	<u>8,500,000</u>

The development property was revalued to the lower of cost and net realisable value resulting in an increase £1,744,194.

10. Debtors

	2018 £	2017 £
Trade debtors	<u>10,002</u>	<u>1,808</u>
Amounts owed by group undertakings	<u>50</u>	<u>-</u>
Deferred tax asset	<u>1,110,264</u>	<u>1,441,798</u>
Other debtors	<u>12,792</u>	<u>189,195</u>
	<u>1,133,108</u>	<u>1,632,801</u>

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	<u>2,640</u>	<u>14,145</u>
Amounts owed to group undertakings	<u>16,000,000</u>	<u>-</u>
Accruals and deferred income	<u>69,021</u>	<u>556,247</u>
Corporation tax	<u>158</u>	<u>158</u>
Amount owed to related undertakings	<u>2,224,524</u>	<u>16,320,908</u>
	<u>18,296,343</u>	<u>16,891,458</u>

The amounts owed to related undertakings are interest free and are repayable on demand.

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

12. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in debtors (note 10)	<u>1,110,264</u>	<u>1,441,798</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Unused tax losses	<u>(1,110,264)</u>	<u>(1,441,798)</u>

13. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

14. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

15. Capital commitments

The company had no capital commitments at 31 March 2018 or at 31 March 2017.

16. Contingencies

The company had no contingent liabilities at 31 March 2018 or at 31 March 2017.

17. Related party transactions

On the 30 May 2017 Helical Bar Developments Limited and Grainger Housing & Development Limited transferred their entire shareholding to Helical Grainger (Holdings) Limited which is now the sole shareholder of King Street Developments (Hammersmith) Limited.

During the year an amount of £nil (2017: (£1,929,000)) was received from Grainger Housing & Developments Limited. An amount of £6,246,434 was paid to Helical Plc. The company also paid Grainger Plc £7,850,000 (2017: £nil) which are the joint venture partner along with Helical Plc.

Included within the balance sheet are amounts owed to Helical plc of £1,915,574 (2017: £8,162,008), amounts owed by Helical Bar Developments Limited of £50 (2017: £50), amounts owed to Grainger Plc of £308,950 (2017: £8,158,950) and amounts owed to Helical Grainger Limited of £16,000,000 (2017: £nil).

The company sold a property to Helical Grainger Limited, a company related by common control, for £16,000,000. It then repurchased the same property for £16,000,000. This amount is owed to Helical Grainger Limited at year end (2017: £nil).

King Street Developments (Hammersmith) Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

18. Controlling party

The joint controlling parties are considered to be Helical Plc and Grainger Plc. There is not considered to be an ultimate parent undertaking.