Knight Dragon 18.02 Limited

Directors' report and financial statements

Registered number 09806359

For the year ended 31 March 2019

Contents

Directors' report

The directors present the directors' report and financial statements for the year ended 31 March 2019.

Principal activities

Knight Dragon 18.02 Limited ("the Company") is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is Level 9, 6 Mitre Passage, Greenwich Peninsula, London SE10 0ER.

The principal activity is to develop and sell residential units at Greenwich Peninsula in London.

Business review and future developments

The Company has been granted reserved matters planning permission for Plot 18.02 at Greenwich Peninsula comprising a total of 242 private and affordable units.

The results of the company for the year are set out on page 5.

The Company continues to review the development with a view to commencing and completing construction during appropriate market conditions.

Going concern

The directors believe that it is appropriate to prepare the financial statements on a going concern basis for the reasons set out in note 1 in the accounting policies.

Financial risk management objectives and policies

Information relating to the risks facing the Company and its risk management policies can be found in note 11 of the financial statements.

Directors and directors' interests

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

J Rann
R Margree

Neither of the directors who held office at the end of the financial year had any disclosable interest in group undertakings as recorded in the register of directors' interests. No other directors served during the year.

Directors' indemnities

The Company's immediate parent maintains directors' and officers' liability insurance which provides appropriate cover for legal action brought against its directors in relation to certain losses and liabilities which the directors may incur to third parties in the course of acting as directors or employees of the Company or of any associated company.

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and will therefore continue in office.

Small Company Provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Directors' report *(continued)*

Statement of directors' responsibilities

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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 judgements and estimates that are reasonable, relevant and reliable;

• state whether they have been prepared in accordance with IFRSs as adopted by the EU;

• assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

• use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

On behalf of the Board

R Margree
Director

Level 9, 6 Mitre Passage
Greenwich Peninsula
London
SE10 0ER

23 August 2019

Independent auditor's report to the members of Knight Dragon 18.02 Limited

Opinion

We have audited the financial statements of Knight Dragon 18.02 Limited ("the company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the net realisable value of inventory and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Knight Dragon 18.02 Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

H Todd

Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

23 August 2019

Statement of comprehensive income
for the year ended 31 March 2019

	Note	**2019**	2018
		£	£
Administrative expenses		**(2,820)**	(3,159)
Loss before tax		**(2,820)**	(3,159)
Taxation	5	**-**	262
Total comprehensive loss for the year		**(2,820)**	(2,897)

The amounts reported in the statement of comprehensive income relate to continuing operations.

There were no gains or losses other than those recognised in the statement of comprehensive income.

Statement of financial position
at 31 March 2019

	Notes	2019	2018
		£	£
Current assets			
Inventories	7	**1,930,926**	1,822,399
Deferred tax assets	6	**262**	262
Cash at bank and in hand		**8,037**	10,584
Total current assets		**1,939,225**	1,833,245
Total assets		**1,939,225**	1,833,245
Current liabilities			
Trade and other payables	8	**(3,556)**	(3,131)
Total current liabilities		**(3,556)**	(3,131)
Non-current liabilities			
Interest bearing loans and borrowings	9	**(1,942,927)**	(1,834,552)
Total non-current liabilities		**(1,942,927)**	(1,834,552)
Total liabilities		**(1,946,483)**	(1,837,683)
Net liabilities		**(7,258)**	(4,438)
Equity			
Ordinary shares	10	**1**	1
Retained deficit		**(7,259)**	(4,439)
Total equity		**(7,258)**	(4,438)

These financial statements were approved by the board of directors on 23 August 2019 and were signed on its behalf by:

J Rann
Director
Registered number 09806359

Notes on pages 9 to 15 form part of the financial statements

Statement of changes in equity
for the year ended 31 March 2019

	Share capital	Retained deficit	Total equity
	£	**£**	**£**
Balance at 1 April 2018	1	(4,439)	(4,438)
Total comprehensive loss			
Loss for the year	-	(2,820)	(2,820)
Balance at 31 March 2019	**1**	**(7,259)**	**(7,258)**

	Share capital	Retained deficit	Total equity
	£	**£**	**£**
Balance at 1 April 2017	1	(1,542)	(1,541)
Total comprehensive loss			
Loss for the year	-	(2,897)	(2,897)
Balance at 31 March 2018	**1**	**(4,439)**	**(4,438)**

Statement of cash flows
for the year ended 31 March 2019

	2019	2018
	£	£
Cash flows from operating activities		
Loss for the year	**(2,820)**	(2,897)
Taxation	-	(262)
Loss before tax	**(2,820)**	(3,159)
Adjustments for:		
Increase in inventories	-	(103,656)
Decrease in trade and other receivables	-	1,669
Increase/(Decrease) in trade and other payables	**427**	(409,548)
Net cash used in operations	**(2,393)**	(514,694)
Tax paid	-	-
Net cash used in operating activities	**(2,393)**	(514,694)
Cash flows from financing activities		
Repayments of shareholder loans	**(154)**	-
Proceeds from shareholder loans	-	487,860
Net cash (used in)/generated from financing activities	**(154)**	487,860
Net decrease in cash and cash equivalents	**(2,547)**	(26,834)
Cash and cash equivalents at 1 April	**10,584**	37,418
Cash and cash equivalents at 31 March	**8,037**	10,584

Notes on pages 9 to 15 form part of the financial statements

Notes to the financial statements

1. Accounting policies

Knight Dragon 18.02 Limited ("the Company") is a private company limited by shares incorporated, domiciled and registered in England and Wales in the United Kingdom .

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation and measurement convention

The Company's financial statements have been prepared and approved by the directors in accordance with Adopted IFRSs and are prepared on the historical cost basis.

These financial statements are presented in GBP Sterling, which is the currency of the primary economic environment in which the Company operates.

This is the first set of the Company's annual financial statements in which *IFRS 15 Revenue from Contracts with Customers* and *IFRS 9 Financial Instruments* have been applied. Neither standard had an impact on the statement of financial position as at the date of adoption (i.e. 1 April 2018) or on the statement of comprehensive income, statement of changes in equity or statement of cash flows for the year ended 31 March 2019.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided by its immediate parent company Knight Dragon Investments Limited ("KDIL"). KDIL has indicated its intentions to provide necessary funding for the continuing operations of the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities when they fall due for payment. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on the going concern basis.

Significant judgements, estimates and assumptions

The preparation of financial statements under IFRS requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates.

The valuation of inventory constitutes the main area of judgement exercised by the Directors in respect of the results. Inventory is stated at the lower of cost and net realisable value. In relation to the net realisable value, the Directors have utilised a financial model to appraise the project. The key assumptions relate to the timing of future income streams, anticipated development costs, residential values, price and cost inflation, the market absorption rate and the discount rate.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

Inventory includes capitalised interest at a rate of London Interbank Offered Rate ("Libor") + 5% per annum relating to borrowings. These interest costs are directly attributable to the development assets which are considered qualifying assets under IAS 23 Borrowings costs.

The recoverable amount of the plot is assessed in each financial period and a provision for diminution in value is raised by the Board where cost (including costs to complete) exceeds net realisable value. In determining the recoverable amount, the Board has regard to independent market conditions affecting each plot and the underlying strategy for sale.

Total costs allocated to each site will include those directly attributable to that site as well as costs associated with the entire Greenwich Peninsula (including estimates of future outlays), allocated on a square foot basis.

There is significant judgement involved in the valuation of work in progress, classified under inventories, in determining the assumptions used for the current sales values and build costs and future sales and cost inflation. The assessment of the valuation is very sensitive to these assumptions.

Taking the above into account and their own assessment of the carrying value of work in progress, the directors believe it to be correctly valued at the lower of cost and net realisable value.

Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets
Financial assets consist of trade and other receivables which are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Appropriate estimates for estimated irrecoverable amounts are recognised in the consolidated statement of comprehensive income when there is objective evidence that the asset is impaired.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the contractual rights to the cashflows are transferred to a third party.

Financial liabilities
Financial liabilities consist of trade and other payables and interest-bearing loans which are initially measured at fair value and subsequently measured at amortised cost.

Financial liabilities are derecognised when the obligations specified in the contract are discharged, cancelled or expire.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs are capitalised into inventories, inventories being a qualifying asset as there is a long period before the asset is available for sale.

Notes to the financial statements *(continued)*

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset.

Taxation

Tax on the result for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, 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 temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Adopted IFRSs not yet applied

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their application is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 16 Leases (effective date 1 January 2019)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective date 1 January 2019)
- Amendments resulting from the annual Improvements to IFRS Standards 2015-2017 Cycle (effective date 1 January 2019)

The Directors do not expect that the application of the standards listed above will have a material impact on the financial statements of the Company in future periods.

2. Remuneration of directors

The directors did not receive any remuneration from the Company for their services during the period (2018: £nil).

3. Staff numbers and costs

The Company did not directly employ any staff including directors during the period (2018: nil).

4. Expenses and auditor's renumeration

	2019	2018
	£	£
Fee payable to the Company auditor for the audit of the financial statements	**2,000**	1,590

There were no non-audit services from the auditor (2018: £nil).

Notes to the financial statements *(continued)*

5. Taxation

Recognised in the statement of comprehensive income:	2019	2018
	£	£
Current taxation due on the profit or loss for the year	-	-
Current taxation	-	-
Adjustment in respect of prior financial years	-	293
Deferred tax adjustment	-	(31)
Deferred taxation	-	262
Total taxation in the statement of comprehensive income	-	262

Reconciliation of effective tax rate:	2019	2018
	£	£
Loss before tax	(2,820)	(3,159)
Tax using the corporation tax rate of 19% (2018: 19%)	536	600
Adjustment in respect of prior financial years	-	293
Other tax adjustments	-	(31)
Tax losses utilised – group relief	(536)	(600)
Total taxation in the statement of comprehensive income	-	262

Reductions in the UK Corporation tax rate from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the budget on 16 March 2016.

6. Deferred tax assets

Recognised deferred tax assets are attributable to the following:	2019	2018
	£	£
Tax value of loss carry-forwards	262	262

7. Inventories

	2019	2018
	£	£
Work in progress	1,930,926	1,822,399

Inventories include capitalised interest costs in the year of £108,527 (2018: £99,571) at a rate of Libor + 5% per annum relating to borrowings. These interest costs are directly attributable to the development assets which are considered qualifying assets under IAS 23 Borrowing costs.

Notes to the financial statements *(continued)*

8. Trade and other payables

	2019	2018
	£	£
Accruals	**3,556**	3,131

The fair value of trade and other payables approximates to the book value.

9. Interest-bearing loans and borrowings

	2019	2018
	£	£
Loan from shareholder	**1,942,927**	1,834,552

The shareholder loan is unsecured, has no fixed repayment date and currently attracts interest of Libor + 5% per annum. The directors of the Company believe the most likely period of repayment of the loan is one to five years (2018: one to five years).

The fair value of these liabilities approximates to the book value.

10. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1 Ordinary share of £1 – Knight Dragon Investments Limited	**1**	1

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. There are no associated rights or preferences relating to the shares.

11. Financing Arrangements and Financial Instruments

Exposure to credit and interest rate risks arises in the normal course of the Company's business.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company.

Interest bearing loans at 31 March 2019 and 31 March 2018 have a variable interest rate which re-prices quarterly. As such, a 1% rise in 3 month LIBOR would increase the Company's annual interest expense by approximately £19,000 (2018: £18,000) based on the balance of interest bearing borrowings outstanding at 31 March 2019.

Credit risk

Credit risk represents the risk that a counterparty will not complete its obligations under a financial instrument resulting in a financial loss to the Company. The Company has exposure to credit risk from all recognised financial assets.

The maximum exposure to credit risk at the balance sheet date on financial assets recognised in the balance sheet equals the carrying amount, net of any impairment.

Notes to the financial statements *(continued)*

Fair values

There is no significant difference between the carrying value and the fair value of the financial instruments.

Capital risk management

The Company's overall capital risk management strategy is to maintain a strong capital base so as to sustain investor, creditor and market confidence and for the future development of the business.

For the Company's purposes, capital consists of issued share capital, share premium (where appropriate), retained earnings, reserves (where appropriate) and also long term shareholder loans.

There were no changes in the Company's approach to capital management during the period.

Liquidity risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities as and when they fall due. This includes having insufficient levels of committed credit facilities.

The Company's objective is to maintain the efficient use of cash and debt facilities in order to minimise the cost of borrowing to the Company and ensure sufficient availability of credit facilities.

Liquidity risk is reduced through prudent cash management which ensures sufficient levels of cash are maintained to meet working capital requirements. It also allows flexibility of liquidity by matching maturity profiles of short term investments with cash flow requirements, and timely review and renewal of credit facilities.

The following are the contractual cash flow maturities of financial liabilities as at the end of the reporting period:

As at 31 March 2019	**Carrying Amount**	**Contractual Cash Flows**	**Less than One year**	**One to Five Years**	**More than Five Years**
	£	**£**	**£**	**£**	**£**
Non Derivative Financial Liabilities					
Interest bearing loans	1,942,927	1,942,927	-	1,942,927	-
Total	**1,942,927**	**1,942,927**	**-**	**1,942,927**	**-**

As at 31 March 2018	**Carrying Amount**	**Contractual Cash Flows**	**Less than One year**	**One to Five Years**	**More than Five Years**
	£	**£**	**£**	**£**	**£**
Non Derivative Financial Liabilities					
Trade payables & accrued expenses	3,131	3,131	3,131	-	-
Interest bearing loans	1,834,552	1,834,552	-	1,834,552	-
Total	**1,837,683**	**1,837,683**	**3,131**	**1,834,552**	**-**

At 31 March 2019, the directors of the Company consider the loans payable in a period of one to five years (2018: one to five years) as they relate to a loan from the immediate parent who is unable seek repayment until funds become available. Given the profile of the development, they believe this to represent the most likely period of repayment.

The Company's immediate parent has indicated via statements of support for the Company that it will support the Company for a period of at least the next 12 months. See note 1, Going Concern.

12. Related party transactions

At 31 March 2019, the Company has a loan of £1,942,927 (2018: £1,834,552) from its immediate parent company, Knight Dragon Investments Limited ("KDIL"). Interest of £108,527 (2018: £99,571) was charged by KDIL on the outstanding balance during the year.

Notes to the financial statements *(continued)*

13. Ultimate parent undertaking and parent undertaking of larger group of which the Company is a member

The Company's immediate parent company is Knight Dragon Investments Limited, a company registered in England & Wales whose registered office is Level 9, 6 Mitre Passage, Greenwich Peninsula, London SE10 0ER. The results of the Company are consolidated in the group headed by Knight Dragon Investments Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

The Company's results are also included within the consolidated financial statements of Chow Tai Fook Enterprises Limited (incorporated and registered in Hong Kong), which is the largest group which prepares consolidated accounts within which the Company is a member. The registered office of Chow Tai Fook Enterprises Limited is 38/F New World Tower, 16-18 Queens Road Central, Hong Kong.

The ultimate parent undertakings and controlling parties are Cheng Yu Tung Family (Holdings) Limited (incorporated and registered in the British Virgin Islands) and Cheng Yu Tung Family (Holdings II) Limited (incorporated and registered in the British Virgin Islands). The registered office address of both companies is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110 British Virgin Islands.