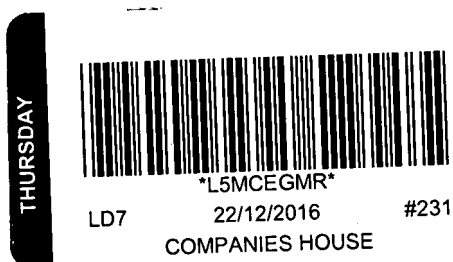


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Company Registration No. 5661137 (England and Wales)

MILLHARBOUR DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



MILLHARBOUR DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	S S Conway D O'Sullivan
Secretary	A W Porter
Company number	5661137
Registered office	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
Auditors	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
Bankers	National Westminster Bank plc Charing Cross Corporate Business Centre PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD Irish Nationwide Building Society 18 Donegall Square East Belfast BT1 5HE Bank of Ireland 20 Berkeley Square London W1J 6LL
Solicitors	Howard Kennedy Fsi LLP 19 Cavendish Square London W1A 2AW

MILLHARBOUR DEVELOPMENTS LIMITED

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MILLHARBOUR DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of property development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S S Conway
D O'Sullivan

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

By order of the board



A.W. Porter
Secretary

21 December 2016

MILLHARBOUR DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILLHARBOUR DEVELOPMENTS LIMITED

We have audited the financial statements of Millharbour Developments Limited for the year ended 31 March 2016 which comprise the Statement of Total Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity 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), including Financial Reporting Standard 102.

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 auditors

As explained more fully in the statement of members' responsibilities, the members 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 Financial Reporting Council's (FRC'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 FRC'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 March 2016 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 matters prescribed by the Companies Act 2006

In our opinion 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.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

MILLHARBOUR DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MILLHARBOUR DEVELOPMENTS LIMITED

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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

RDO C P

Thomas Edward Goodworth (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor

London
United Kingdom
Date

21/12/16
.....

BDO LLP is a limited liability partnership registered in England and Wales
(with registered number OC305127).

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Revenue		124,782,655	-
Cost of sales		(90,545,031)	(633,795)
Gross profit/(loss)		34,237,624	(633,795)
Administrative expenses		(7,506)	(4,086)
Other operating income		109,811	109,495
Operating profit/(loss)	2	34,339,929	(528,386)
Investment income	3	9,451	-
Finance costs	4	(12,819,359)	(7,408,664)
Profit/(loss) before taxation		21,530,021	(7,937,050)
Taxation	5	(4,413,085)	-
Profit/(loss) for the financial year		17,116,936	(7,937,050)
Total comprehensive income for the year		17,116,936	(7,937,050)

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Inventories		69,506,118		116,616,349	
Trade and other receivables	6	18,515,412		16,751,061	
Cash at bank and in hand		6,360,332		308,260	
		<u>94,381,862</u>		<u>133,675,670</u>	
Current liabilities	7	(111,649,406)		(77,870,937)	
Net current (liabilities)/assets			(17,267,544)		55,804,733
Non-current liabilities	8		-		(90,189,213)
Net liabilities			<u>(17,267,544)</u>		<u>(34,384,480)</u>
Equity					
Called up share capital	9		1		1
Retained earnings			(17,267,545)		(34,384,481)
Total equity			<u>(17,267,544)</u>		<u>(34,384,480)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 21 December 2016 and are signed on its behalf by:


S S Conway
Director

Company Registration No. 5661137

The notes on pages 7 to 11 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2014		1	(37,049,155)	(37,049,154)
Effect of transition to FRS 102		-	2,888,303	2,888,303
Effect of prior year error		-	7,713,421	7,713,421
As restated		1	(26,447,431)	(26,447,430)
Period ended 31 March 2015:				
Loss and total comprehensive income for the year		-	(7,937,050)	(7,937,050)
Balance at 31 March 2015		1	(34,384,481)	(34,384,480)
Period ended 31 March 2016:				
Loss and total comprehensive income for the year		-	17,116,936	17,116,936
Balance at 31 March 2016		1	(17,267,545)	(17,267,544)

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

Millharbour Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, Sterling House, Langston Road, Loughton, Essex, IG10 3TS.

1.1 Accounting convention

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements prepared in accordance with FRS 102 section 1A. The date of transition to FRS 102 was 1 April 2014. Information on the impact of first time adoption of section 1A Small Entities in FRS 102 is given in note 12.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable following legal completion of developed units, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost comprises the purchase cost of land and buildings and development expenditure.

Profit on sales of developed properties are taken on receipt of sales proceeds at legal completion. Costs attributable to each sale comprises an appropriate proportion of total costs of the development.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

Financial assets, other than investments, are initially measured at transaction price and subsequently held at cost, less any impairment.

Financial liabilities are measured initially at transaction price and subsequently at amortised cost.

Financial liabilities and equity are classified according to the substance of the instrument's contractual obligation, rather than its legal form.

Finance costs are charged to profit and loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense for the period comprises current and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.9 Finance costs

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Profit share agreements with construction and financing partners are carried at fair value. Movements in fair value are recognised in finance costs.

1.10 Other operating income

Other operating income comprises rental income net of value added tax and expenses directly attributable to the rental property; and rescinded deposits on the sale of property.

1.11 Prior year adjustment

During the year the directors realised that they had not released sufficient provisions against stock in the year ended 31 March 2013. The impact of this is that opening profit and loss reserves at 1 April 2014 were understated by £7,713,421 being the release of the £10,149,238 stock provision and the associated tax charge.

2 Operating profit/(loss)

	2016 £	2015 £
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	2,000	2,000
	<u> </u>	<u> </u>

3 Investment income

	2016 £	2015 £
Interest income		
Other interest income	9,451	-
	<u> </u>	<u> </u>

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

4 Finance costs

	2016 £	2015 £
Finance costs includes the following:		
Interest payable	12,819,359	7,408,664
	<u>12,819,359</u>	<u>7,408,664</u>

5 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	4,413,085	-
	<u>4,413,085</u>	<u>-</u>

6 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	11,301	18,908
Other receivables	17,456,873	16,700,323
Prepayments and accrued income	1,047,238	31,830
	<u>18,515,412</u>	<u>16,751,061</u>

7 Current liabilities

	2016 £	2015 £
Bank loans and overdrafts	61,124,249	45,606
Trade payables	190,317	68,254
Amount due to parent undertaking	12,300,965	6,178,777
Corporation tax	6,848,902	2,435,817
Other taxation and social security	-	355,701
Accruals and deferred income	31,184,973	68,786,782
	<u>111,649,406</u>	<u>77,870,937</u>

8 Non-current liabilities

	2016 £	2015 £
Bank loans (see note 7)	-	90,189,213
	<u>-</u>	<u>90,189,213</u>

The loans are secured by fixed charges over the assets of the company.

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

9 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Authorised		
1,000 Ordinary share of £1 each	1,000	1,000
Issued and fully paid		
1 Ordinary share of £1 each	1	1

10 Parent company

The immediate parent company is Raceguide Limited, a company registered in England and Wales, and the ultimate holding company is Galliard (Group) Limited, a company registered in England and Wales.

Galliard (Group) Limited prepares group financial statements and copies can be obtained from 3rd floor Sterling House, Langston Road, Loughton, Essex IG10 3TS.

In the opinion of the directors, there is no controlling party.

11 Adjustments arising from transition to FRS 102

The company has adopted FRS 102 for the financial statements for the year ended 31 March 2016 with a transition date to FRS 102 of 1 April 2014.

The difference arising on the transition to FRS 102 are given in note 12.

12 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 April 2014 £	31 March 2015 £
Equity as reported under previous UK GAAP	(37,049,154)	(44,005,369)
Adjustments to prior year (note 1)	7,713,421	6,732,586
As restated	(29,335,733)	(37,272,783)
Adjustments arising from transition to FRS 102:		
Fair value of bank loan	2,888,303	2,888,303
Equity reported under FRS 102	(26,447,430)	(34,384,480)

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

12 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss

2015
£

Profit or loss as reported under previous UK GAAP (6,956,215)

Adjustments arising from transition to FRS 102:

Fair value of bank loan (980,835)

Profit or loss reported under FRS 102 (7,937,050)

Notes to reconciliations on adoption of FRS 102

1 - Provision of interest

FRS 102 requires that loans that are repayable after one year, and that are not interest bearing or which bear interest at below market rate, be re-measured at fair value. Subsequently, such loans are held at amortised cost. Previously under UK GAAP, the company's accounting policy for long term loans was to measure them at cost less impairment. The effect of the change has been to decrease the value of initial recognition of the loan and to increase the annual interest payable on the loan.