

Company Registration No. 5661137 (England and Wales)

MILLHARBOUR DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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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
Auditor	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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Fair review of the business

The principal activity of the company continued to be that of property development. 90% of sales have been completed by the end of the year.

Principal risks and uncertainties

A range of risks associated with developing and delivering complex projects for clients are recognised by the company. Budgets are prepared for all projects prior to commencement, with detailed planning carried out to support site operations. All projects are closely monitored via the monthly cost valuation reporting mechanism, with timely intervention where any material variations are identified.

Development and performance

Sustainable profitability and cash generation remain key priorities for the company. The directors consider the rates of profitability:

Gross profit £34,463,893 (2016:£34,237,624). Profit before tax is £29,309,026 (2016: £21,530,021). Turnover £100,602,679 (2016:£124,782,655). Overall the directors are satisfied with the financial performance of the company while targeting increased efficiencies and synergies going forward.

Other information and explanations

After completing sales the company will come to the end of its development work. The key priority of the company going forward is to increase profitability while managing risks effectively.

By order of the board



A W Porter
Secretary

27 September 2017

MILLHARBOUR DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

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;
- state whether applicable 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.

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 auditor

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 auditor 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.

By order of the board



A W Porter
Secretary

27 September 2017

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 2017 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).

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, 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 Financial Reporting Council.

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 2017 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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and 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.

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

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 Strategic Report and the Directors' Report.

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.

BDO LLP

Christopher Young (Senior Statutory Auditor)
for and on behalf of BDO LLP

27/9/17

Statutory Auditor

55 Baker Street
London
United Kingdom
W1U 7EU

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 2017

	Notes	2017 £	2016 £
Revenue	3	100,602,679	124,782,655
Cost of sales		(66,138,786)	(90,545,031)
Gross profit		34,463,893	34,237,624
Administrative expenses		(30,726)	(7,506)
Other operating income		279,227	109,811
Operating profit	4	34,712,394	34,339,929
Investment income	6	28,799	9,451
Finance costs	7	(5,432,167)	(12,819,359)
Profit before taxation		29,309,026	21,530,021
Taxation	8	(1,448,720)	(4,413,085)
Profit for the financial year		27,860,306	17,116,936
Total comprehensive income for the year		27,860,306	17,116,936

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

The notes on pages 8 to 13 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
Current assets			
Inventories	10	8,310,576	69,506,118
Trade and other receivables	11	17,545,898	18,515,412
Cash at bank and in hand		195,946	6,360,332
		<u>26,052,420</u>	<u>94,381,862</u>
Current liabilities	12	(9,518,558)	(111,649,406)
Net current assets/(liabilities)		16,533,862	(17,267,544)
Non-current liabilities	13	(5,941,100)	-
Net assets/(liabilities)		<u>10,592,762</u>	<u>(17,267,544)</u>
Equity			
Called up share capital	14	1	1
Retained earnings		10,592,761	(17,267,545)
Total equity		<u>10,592,762</u>	<u>(17,267,544)</u>

The financial statements were approved by the board of directors and authorised for issue on 27 September 2017 and are signed on its behalf by:



S S Conway
Director

Company Registration No. 5661137

The notes on pages 8 to 13 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2015	1	(34,384,481)	(34,384,480)
Period ended 31 March 2016:			
Profit 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)
Period ended 31 March 2017:			
Profit and total comprehensive income for the year	-	27,860,306	27,860,306
Balance at 31 March 2017	1	10,592,761	10,592,762

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

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 estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 2017

1 Accounting policies

(Continued)

1.7 Taxation

The tax expense for the period comprises current 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.

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.

2 Judgements and key sources of estimation uncertainty

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In preparing these financial statements, the directors have had to make the following judgements and estimates:

Carrying value of inventories

In applying the company's accounting policy for the valuation of inventories the Directors are required to assess the expected selling price and costs to sell each of the units that constitute the company's work in progress. Cost includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be very significant.

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

3 Revenue

	2017 £	2016 £
Turnover	100,602,679	124,782,655

Revenue analysed by geographical market

	2017 £	2016 £
United Kingdom	100,602,679	124,782,655

4 Operating profit

Operating profit for the year is stated after charging:

Fees payable to the company's auditor for the audit of the company's financial statements	4,000	2,000
Cost of inventories recognised as an expense	65,206,090	89,771,217

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was: Nil. (2016 : Nil)

6 Investment income

	2017 £	2016 £
Interest income		
Other interest income	28,799	9,451

7 Finance costs

	2017 £	2016 £
Finance costs includes the following:		
Interest on bank overdrafts and loans	5,432,167	12,819,359

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	5,861,805	4,413,085
Adjustments in respect of prior periods	(4,413,085)	-
Total current tax	1,448,720	4,413,085

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	29,309,026	21,530,021
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	5,861,805	4,306,004
Tax effect of utilisation of tax losses not previously recognised	-	(274,413)
Adjustments in respect of prior years	(4,413,085)	-
Group relief	-	381,494
Taxation charge for the year	1,448,720	4,413,085

9 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Financial assets measured at amortised cost	17,002,291	23,828,744
Carrying amount of financial liabilities		
Financial liabilities measured at amortised cost	6,712,100	91,783,000

Financial assets measured at amortised cost comprise cash, trade receivables, other receivables, accrued income and amounts owed by parent undertaking.

Financial liabilities measured at amortised cost comprise, trade payables, other payables, borrowings and accruals.

10 Inventories

	2017 £	2016 £
Finished goods and goods for resale	8,310,576	69,506,118

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

11 Trade and other receivables

	2017 £	2016 £
Amounts falling due within one year:		
Trade receivables	363,780	11,301
Amount due from parent undertaking	16,017,330	-
Other receivables	796,247	17,456,873
Prepayments and accrued income	368,541	1,047,238
	<u>17,545,898</u>	<u>18,515,412</u>

12 Current liabilities

	2017 £	2016 £
Bank loans and overdrafts	-	61,124,249
Trade payables	681,291	190,317
Amount due to parent undertaking	-	12,300,965
Corporation tax	8,297,622	6,848,902
Other taxation and social security	29,828	-
Other payables	4,538	-
Accruals and deferred income	505,279	31,184,973
	<u>9,518,558</u>	<u>111,649,406</u>

13 Non-current liabilities

	2017 £	2016 £
Bank loans	<u>5,941,100</u>	<u>61,124,249</u>
Payable within one year	-	61,124,249
Payable between one and two years	<u>5,941,100</u>	-

The loan is secured by fixed charges over the assets of the company.

Bank loan is shown net of issue costs of £120,754 (2016: £nil). Issue costs are charged over the term of the loan at a constant rate on the carrying amount.

14 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Controlling party

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.