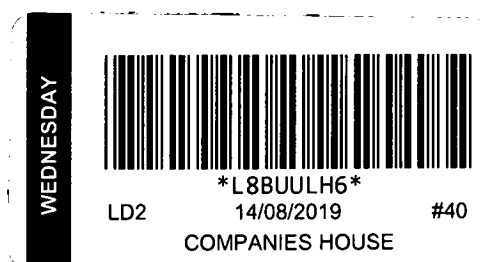


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Company Registration No. 05661137 (England and Wales)

MILLHARBOUR DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



MILLHARBOUR DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	S S Conway D O'Sullivan
Secretary	A W Porter
Company number	05661137
Registered office	3rd Floor Sterling House Langston Road Loughton Essex IG10 3TS
Auditor	BDO LLP 55 Baker Street London United Kingdom W1U 7EU
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors	Howard Kennedy LLP 1 London Bridge London SE1 9BG

MILLHARBOUR DEVELOPMENTS LIMITED

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MILLHARBOUR DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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

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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

7 August 2019

MILLHARBOUR DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILLHARBOUR DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Millharbour Developments Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 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 2019 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.

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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our 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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

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

7 August 2019
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 COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 as restated £
Revenue		7,478,806	829,975
Cost of sales		(6,178,847)	(686,919)
Gross profit		1,299,959	143,056
Administrative expenses		6,261	(2,679)
Other operating income		85,906	1,011,342
Operating profit		1,392,126	1,151,719
Investment income		2,908	25
Finance costs	2	(344,406)	(231,137)
Profit before taxation		1,050,628	920,607
Tax on profit		(92,163)	(562,490)
Profit for the financial year and total comprehensive income		958,465	358,117

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

The notes on pages 7 to 10 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Current assets					
Inventories		2,630,894		8,453,494	
Trade and other receivables	3	229,231		767,754	
Cash and cash equivalents		349,098		328,376	
		<u>3,209,223</u>		<u>9,549,624</u>	
Current liabilities	4	(2,154,925)		(9,453,791)	
Net current assets			<u>1,054,298</u>		<u>95,833</u>
Equity					
Called up share capital	5		1		1
Retained earnings			<u>1,054,297</u>		<u>95,832</u>
Total equity			<u>1,054,298</u>		<u>95,833</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 7 August 2019 and are signed on its behalf by:


S S Conway
Director

Company Registration No. 05661137

The notes on pages 7 to 10 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Retained earnings £	Total £
As restated for the year ended 31 March 2018:				
Balance at 1 April 2017		1	10,237,715	10,237,716
As restated		1	10,237,715	10,237,716
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	358,117	358,117
Dividends		-	(10,500,000)	(10,500,000)
Balance at 31 March 2018		1	95,832	95,833
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	958,465	958,465
Balance at 31 March 2019		1	1,054,297	1,054,298

The notes on pages 7 to 10 form part of these financial statements.

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 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 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 2019

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

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.

1.11 Prior year adjustment

It has come to the attention of the directors that a restatement of the prior year financial statements is necessary as a result of an error described below. It was identified in the prior year that the corporation tax was understated due to an adjustment in the year ended 31 March 2018 which reduced the corporation tax liability. The effect of the adjustment on the accounts for the year ended 31 March 2018 has been to increase the corporation tax charge in the income statement by £1,661,802 to £562,489 and increase amounts due to group undertakings by £1,661,802 to £2,993,476 and reduce net assets by £1,661,802. In light of the significant amount involved, the directors have corrected this and accordingly the prior year financial statements have been restated.

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

2 Finance costs

	2019 £	2018 £
Interest payable on bank loans	344,406	231,137

3 Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Trade receivables	29,892	46,181
Other receivables	199,339	721,573
	229,231	767,754

4 Current liabilities

	2019 £	Restated 2018 £
Secured bank loans and overdrafts	-	5,922,705
Trade payables	36,626	10,038
Amount due to shareholders	1,841,450	2,993,476
Corporation tax	199,619	77,870
Other taxation and social security	25,960	8,258
Other payables	51,270	441,444
	2,154,925	9,453,791

There are no amounts included under current liabilities which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following reporting date.

5 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
1 Ordinary share of £1 each	1	1

MILLHARBOUR DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 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.

7 Prior period adjustment

Reconciliation of changes in equity

	1 April 2017 £	31 March 2018 £
Equity as previously reported	10,237,715	2,227,962
Adjustments to prior year	-	(2,132,129)
Equity as adjusted	<u>10,237,715</u>	<u>95,833</u>

Reconciliation of changes in profit for the previous financial period

	2018 £
Profit as previously reported	2,490,246
Adjustments to prior year	(2,132,129)
Profit as adjusted	<u>358,117</u>