

**FOLKESTONE HARBOUR (4) LIMITED**  
**DIRECTOR'S REPORT AND ACCOUNTS**

**31 DECEMBER 2013**

**Company Registration Number: 6044788**

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COMPANIES HOUSE

## **FOLKESTONE HARBOUR (4) LIMITED**

### **Director's report**

Director: Sir Roger De Haan CBE DL

Secretary: Richard Fraser

Registered Office: Strand House, 125 Sandgate High St, Folkestone, Kent CT20 3BZ

The director submits his report together with the audited accounts of the company for the year ended 31 December 2013.

### **Principal activities and review of business**

The company is a limited partner in Folkestone Harbour Limited Partnership, a partnership set up to redevelop Folkestone harbour. Its partnership share is 11.827%. Following the grant of planning permission in July 2013, the business is now focusing its efforts on plans for commencing the redevelopment programme.

### **Directors**

Roger De Haan remained the sole director of the company throughout the year.

### **Results and dividends**

The profit for the period amounted to £2,534,728 (2012 - £140,078) and has been transferred to reserves. The profit is due primarily to an uplift in inventory value in Folkestone Harbour Limited Partnership following the grant of planning consent. No dividend is payable.

### **Director Interests**

R M De Haan owns the whole of the issued share capital of the immediate parent undertaking, Folkestone Harbour Holdings Limited.

### **Disclosure of information to auditors**

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditors are unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

KPMG LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

### **Small Company Exemption**

The above report has been prepared in accordance with the special provisions of Section 415A of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board

A handwritten signature in dark ink, appearing to read 'R J Fraser'.

R J Fraser  
Secretary 7/7/14

**Registered Office**

Strand House  
125 Sandgate High Street  
Folkestone  
Kent  
CT20 3BZ

**FOLKESTONE HARBOUR (4) LIMITED**  
**STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE**  
**DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR (4) LIMITED**

We have audited the financial statements of Folkestone Harbour (4) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 director and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 Auditing Practices Board'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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE  
HARBOUR (4) LIMITED continued**

**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

Date : 7 July 2014

**FOLKESTONE HARBOUR (4) LIMITED****Profit and loss account for the year ended 31 December 2013**

|                                                             | <b>Note</b> | <b>2013</b><br><b>£</b> | <b>2012</b><br><b>£</b> |
|-------------------------------------------------------------|-------------|-------------------------|-------------------------|
| Administrative expenses                                     |             | (400)                   | (425)                   |
| Release of investment                                       | 4           | 2,535,128               | 140,503                 |
| <b>Profit/(loss) on ordinary activities before taxation</b> | 2           | <hr/> 2,534,728         | <hr/> 140,078           |
| Taxation                                                    | 3           | -                       | -                       |
| <b>Profit/(loss) on ordinary activities after taxation</b>  |             | <hr/> 2,534,728         | <hr/> 140,078           |

Continuing operations

All activities are continuing.

Total recognised gains and losses

The Company has no recognised gains or losses other than the amounts shown above.

The notes on pages 8 to 10 form part of these financial statements.

**FOLKESTONE HARBOUR (4) LIMITED****Balance sheet as at 31 December 2013**

|                                                | <b>Note</b> | <b>2013</b><br><b>£</b> | <b>2012</b><br><b>£</b> |
|------------------------------------------------|-------------|-------------------------|-------------------------|
| <b>Fixed assets</b>                            |             |                         |                         |
| Investments                                    | 4           | 2,995,894               | 460,766                 |
| <b>Current assets</b>                          |             |                         |                         |
| Cash at bank and in hand                       |             | 446                     | 446                     |
|                                                |             | <u>446</u>              | <u>446</u>              |
| <b>Creditors</b>                               |             |                         |                         |
| - Amounts falling due within one year          | 5           | (3,303)                 | (2,903)                 |
| <b>Net current liabilities</b>                 |             | <u>(2,857)</u>          | <u>(2,457)</u>          |
| <b>Creditors</b>                               |             |                         |                         |
| - Amounts falling due after more than one year | 6           | (7,217,548)             | (7,217,548)             |
| <b>Net liabilities</b>                         |             | <u>(4,224,511)</u>      | <u>(6,759,239)</u>      |
| <b>Capital and reserves</b>                    |             |                         |                         |
| Called- up share capital                       | 7           | 2                       | 2                       |
| Profit and loss account                        | 8           | (4,224,513)             | (6,759,241)             |
| <b>Shareholders' deficit</b>                   | 9           | <u>(4,224,511)</u>      | <u>(6,759,329)</u>      |

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the Director

on

07-07-14



RM De Haan  
Director

The notes on pages 8 to 10 form part of these financial statements.



## **FOLKESTONE HARBOUR (4) LIMITED**

### **Notes to the financial statements**

#### **1 Accounting policies**

##### **a) Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

A key source of estimation uncertainty within these financial statements surrounds the carrying value of the company's investment in Folkestone Harbour Limited Partnership. The Director has reviewed the carrying cost of this investment against estimates of net realisable value (NRV). The Director has arrived at NRV by valuing the investment at an amount equivalent to the company's share of net assets of the partnership. This has given rise to an increase in value of £2,535,128 (2012 - £140,503). Should there be further significant movement in UK real estate pricing, then further write-downs or write-backs of the investment may be necessary.

##### **b) Cash flow statement**

The directors have taken advantage of the exemption available under FRS 1(revised) from the requirement to prepare a cash flow statement on the basis that the company qualifies under the exemption for small companies.

##### **c) Investments**

Investments are held at cost less any provision for impairment.

##### **d) Going concern**

The financial statements have been prepared on the going concern basis which the director believes to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Folkestone Harbour Holdings Limited, the company's ultimate parent. Folkestone Harbour Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it intends to continue to make available such funds as are needed by the company and in particular it does not intend to seek repayment of the amounts currently made available. The director considers that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so.

| <b>2 Profit/(loss) on ordinary activities before taxation</b> | <b>2013</b> | <b>2012</b> |
|---------------------------------------------------------------|-------------|-------------|
|                                                               | £           | £           |
| Is stated after charging:-                                    |             |             |
| Audit fees                                                    | 400         | 400         |

# FOLKESTONE HARBOUR (4) LIMITED

## Notes to the financial statements

| 3 | Tax on profit/(loss) on ordinary activities  | 2013      | 2012     |
|---|----------------------------------------------|-----------|----------|
|   |                                              | £         | £        |
|   | Current tax                                  | -         | -        |
|   | Reconciliation of Current Tax charge:        |           |          |
|   | Pre-tax profits at 23% (2012: 24%)           | 582,987   | 33,618   |
|   | Tax on share of partnership result           | (1,148)   | (185)    |
|   | Group relief                                 | -         | -        |
|   | Unrelieved losses                            | 1,240     | 287      |
|   | Non-deductible (income)/expense (impairment) | (583,079) | (33,720) |
|   |                                              | -         | -        |

| 4 | Investment                          |             |
|---|-------------------------------------|-------------|
|   | Cost:                               | £           |
|   | At 1 January 2013                   | 5,954,877   |
|   | Additions                           | -           |
|   | At 31 December 2013                 | 5,954,877   |
|   | Impairment losses:                  |             |
|   | At 1 January 2013                   | (5,494,111) |
|   | Credit for the year                 | 2,535,128   |
|   | At 31 December 2013                 | (2,958,983) |
|   | Net book amount at 31 December 2013 | 2,995,894   |
|   | Net book amount at 31 December 2012 | 460,766     |

The reason for the impairment credit is explained in note 1.

The investment comprises an 11.827% partnership share in Folkestone Harbour Limited Partnership.

| 5 | Creditors                                            | 2013  | 2012  |
|---|------------------------------------------------------|-------|-------|
|   | - amounts falling due within one year                | £     | £     |
|   | Amount due to parent undertaking                     | 3,203 | 2,803 |
|   | Amount due to Folkestone Harbour Limited Partnership | 100   | 100   |
|   |                                                      | 3,303 | 2,903 |

| 6 | Creditors                                      | 2013      | 2012      |
|---|------------------------------------------------|-----------|-----------|
|   | - amounts falling due after more than one year |           | £         |
|   | Loan from parent undertaking                   | 7,217,548 | 7,217,548 |

The loan from the parent undertaking falls due for repayment on 15 March 2017 or such earlier date as the parties may agree. The loan is interest free.

**FOLKESTONE HARBOUR (4) LIMITED**  
**Notes to the financial statements**

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                            |             |             |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>7</b>  | <b>Called up share capital</b>                                                                                                                                                                                                                                                                                                                                                                                                             | <b>2013</b> | <b>2012</b> |
|           |                                                                                                                                                                                                                                                                                                                                                                                                                                            | £           | £           |
|           | <b>Authorised</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |             |             |
|           | 100 ordinary shares of £1 each                                                                                                                                                                                                                                                                                                                                                                                                             | 100         | 100         |
|           |                                                                                                                                                                                                                                                                                                                                                                                                                                            |             |             |
|           | <b>Allotted and fully paid</b>                                                                                                                                                                                                                                                                                                                                                                                                             |             |             |
|           | 2 ordinary shares of £1 each                                                                                                                                                                                                                                                                                                                                                                                                               | 2           | 2           |
| <b>8</b>  | <b>Profit and loss account</b>                                                                                                                                                                                                                                                                                                                                                                                                             | <b>2013</b> | <b>2012</b> |
|           |                                                                                                                                                                                                                                                                                                                                                                                                                                            | £           | £           |
|           | At 1 January                                                                                                                                                                                                                                                                                                                                                                                                                               | (6,759,241) | (6,899,319) |
|           | Profit/(loss) for the year                                                                                                                                                                                                                                                                                                                                                                                                                 | 2,534,728   | 140,078     |
|           | At 31 December                                                                                                                                                                                                                                                                                                                                                                                                                             | (4,224,513) | (6,759,241) |
| <b>9</b>  | <b>Reconciliation of movement in shareholders' deficit</b>                                                                                                                                                                                                                                                                                                                                                                                 | <b>2013</b> | <b>2012</b> |
|           |                                                                                                                                                                                                                                                                                                                                                                                                                                            | £           | £           |
|           | Total recognised gains and losses relating to the year                                                                                                                                                                                                                                                                                                                                                                                     | 2,534,728   | 140,078     |
|           | Shareholder's deficit brought forward                                                                                                                                                                                                                                                                                                                                                                                                      | (6,759,239) | (6,899,317) |
|           | Shareholder's deficit carried forward                                                                                                                                                                                                                                                                                                                                                                                                      | (4,224,511) | (6,759,239) |
| <b>10</b> | <b>Related party disclosures</b>                                                                                                                                                                                                                                                                                                                                                                                                           |             |             |
|           | The company has an outstanding loan payable to its parent undertaking, Folkestone Harbour Holdings Limited amounting to £7,217,548 (2012-£7,217,548) and a further amount payable on current account of £3,203 (2012-£2,803). The company has an 11.827% interest in Folkestone Harbour Limited Partnership to whom it owes £100 (2012: £100). All of the entities referred to in this section are ultimately controlled by Roger De Haan. |             |             |
| <b>11</b> | <b>Controlling interest</b>                                                                                                                                                                                                                                                                                                                                                                                                                |             |             |
|           | The ultimate controlling shareholder is Roger De Haan.                                                                                                                                                                                                                                                                                                                                                                                     |             |             |

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2013**

**Registration Number: LP11912**

# **FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

## **Report of the General Partner**

### **Introduction**

Folkestone Harbour (GP) Limited ("the General Partner") presents the financial statements for Folkestone Harbour Limited Partnership ("the Partnership") for the year ended 31 December 2013.

### **Principal activities and review of business**

The Partnership was established to acquire and redevelop property situated at Folkestone harbour and the Folkestone foreshore area. Following the grant of planning permission in July 2013, the business is now focusing its efforts on plans for commencing the redevelopment programme.

### **Results for the year**

The profit for the year amounted to £21,435,094 (2012 - £1,187,984) and has been transferred to partners' capital accounts. The large profit reflects an uplift in inventory value following the grant of planning consent.

### **Disclosure of information to auditors**

The director of the General Partner confirms that, so far as he is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

### **Auditors**

KPMG LLP have expressed their willingness to continue in office as auditor. A resolution proposing their re-appointment will be made by the Partnership.



Sir Roger De Haan CBE DL      07-07-14  
Director  
For and on behalf of Folkestone Harbour (GP) Limited

Strand House,  
125 Sandgate High St,  
Folkestone,  
Kent CT20 3BZ

## **STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE FINANCIAL STATEMENTS**

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

Under the Partnership and Unlimited Companies (Accounts) Regulations 2008, the General Partner is required to prepare an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act. Under that law the General Partner has elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The General Partner is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enables it to ensure that its financial statements comply with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. The General Partner has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Folkestone Harbour Limited Partnership**

We have audited the financial statements of Folkestone Harbour Limited Partnership for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the General Partner and auditor**

As explained more fully in the Statement of General Partner's Responsibilities set out on page 2, the General Partner is 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 Auditing Practices Board'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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 qualifying partnership's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

**Independent auditor's report to the members of Folkestone Harbour Limited Partnership  
continued**

**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 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

7 July 2014



**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**  
**Profit and loss account for the year ended 31 December 2013**

|                                                               | Note | 2013<br>£         | 2012<br>£        |
|---------------------------------------------------------------|------|-------------------|------------------|
| <b>Turnover</b>                                               | 2    | 133,366           | 119,881          |
| Cost of sales                                                 |      | -                 | -                |
| Release of inventory provisions                               | 1    | <u>21,488,462</u> | <u>1,190,808</u> |
| <b>Gross profit</b>                                           |      | 21,621,828        | 1,310,689        |
| Administrative expenses                                       |      | <u>(182,149)</u>  | <u>(122,854)</u> |
| <b>Operating profit</b>                                       |      | 21,439,679        | 1,187,835        |
| Interest receivable                                           | 3    | 129               | 149              |
| Interest payable                                              |      | (4,714)           | -                |
| <b>Profit for the financial year<br/>before distributions</b> | 4    | <u>21,435,094</u> | <u>1,187,984</u> |
| Distributions                                                 |      | -                 | -                |
| <b>Transfer to partners' income accounts</b>                  | 11   | <u>21,435,094</u> | <u>1,187,984</u> |

Continuing operations

All of the operations of the partnership are continuing

Total recognised gains and losses

The partnership has no recognised gains or losses other than the amounts shown above

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

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**  
**Balance sheet as at 31 December 2013**

|                                                        | Note | 2013<br>£         | 2012<br>£        |
|--------------------------------------------------------|------|-------------------|------------------|
| <b>Fixed assets</b>                                    |      |                   |                  |
| Tangible assets                                        | 6    | 17,115            | 997              |
| <b>Current assets</b>                                  |      |                   |                  |
| Debtors                                                | 7    | 36,351            | 156,985          |
| Inventory                                              | 8    | 29,500,000        | 7,742,000        |
| Cash at bank and in hand                               |      | 99,325            | 163,842          |
|                                                        |      | <u>29,635,676</u> | <u>8,062,827</u> |
| <b>Creditors</b>                                       |      |                   |                  |
| - amounts falling due within one year                  | 9    | (90,824)          | (41,956)         |
| <b>Net current assets</b>                              |      | <u>29,544,852</u> | <u>8,020,871</u> |
| <b>Creditors</b>                                       |      |                   |                  |
| - amounts falling due after more than one year         | 10   | (4,230,976)       | (4,125,971)      |
| <b>Net assets attributable to partners</b>             |      | <u>25,330,991</u> | <u>3,895,897</u> |
| <b>Represented by:</b>                                 |      |                   |                  |
| Partners' funds classified as a liability under FRS 25 |      |                   |                  |
| Partners' loans                                        | 11   | 25,330,991        | 3,895,897        |
| Loans and other debts due to partners                  |      | <u>25,330,991</u> | <u>3,895,897</u> |



These financial statements were approved by  
R M De Haan on 07-07-14

For and on behalf of Folkestone Harbour (GP) Limited

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

# FOLKESTONE HARBOUR LIMITED PARTNERSHIP

## Notes to the financial statements

### 1 Accounting policies

#### a) Basis of preparation

Under the Partnership and Unlimited Companies (Accounts) Regulations 2008, the partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act.

Under the Companies Act, the partners have the choice whether their financial statements are prepared under that applicable law and either UK Accounting Standards (UK Generally Accepted Accounting Practice) or International Financial Reporting Standards (IFRSs) as adopted by the EU. The partners have decided to apply UK Generally Accepted Accounting Practice.

A key source of estimation uncertainty within these financial statements surrounds the carrying value of inventory. The Director has reviewed the carrying costs of inventory against estimates of net realisable value (NRV). The Director has arrived at NRV taking account of an estimate of cash flows projected to arise from the realisation of inventory. This has given rise to an increase in value for the year of £21,488,462 (2012 - £1,190,808). Should there be further significant movement in UK real estate pricing, then further write-downs or write-backs of inventory may be necessary

#### b) Turnover

Turnover is recognised in the accounts in the period when the related goods or services are provided. Rental income is recognised on a straight-line basis over the period of the lease.

#### c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment. The cost of fixed assets is depreciated by equal instalments over their useful economic lives as follows;

Fixtures and fittings held at leasehold tenant's premises-over the life of the lease.  
Other fixtures and fittings – over three years.

#### d) Inventory

Inventory is included in the accounts at the lower of cost and net realisable value. Cost comprises land acquisition costs together with professional fees incurred in the process of acquiring the land and in respect of preparing the re-development plan.

Folkestone Harbour Limited Partnership owns the beneficial interest in the land, the legal title of which is held by Folkestone Harbour Nominee (1) Limited and Folkestone Harbour Nominee (2) Limited

#### e) Interest income

Interest income is recognised in the period to which it relates.

#### f) Taxation

The Partnership is not a taxable entity and accordingly no provision is made in these accounts for taxation.

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP****Notes to the financial statements continued****2 Turnover**

Turnover comprises principally of rental income arising on properties let in the period prior to their re-development.

**3 Interest receivable**

|                                  | <b>2013</b> | <b>2012</b> |
|----------------------------------|-------------|-------------|
|                                  | £           | £           |
| Bank deposit interest receivable | 129         | 149         |

**4 Loss for the financial period before distributions**

|                           | <b>2013</b> | <b>2012</b> |
|---------------------------|-------------|-------------|
|                           | £           | £           |
| Is stated after charging: |             |             |
| Audit fees                | 4,635       | 4,635       |

**5 Staff costs**

Employee costs for the year were as follows:

|                                | <b>2013</b>   | <b>2012</b>   |
|--------------------------------|---------------|---------------|
|                                | £             | £             |
| Wages and salaries             | 37,464        | 28,058        |
| Social security costs          | 3,795         | 2,631         |
| Health care and other benefits | 1,647         | 372           |
| Other pension costs            | 3,983         | 2,932         |
|                                | <u>46,889</u> | <u>33,993</u> |

**6 Tangible fixed assets**

|                                  | <b>Fixtures &amp; Fittings</b> |
|----------------------------------|--------------------------------|
|                                  | £                              |
| Cost:                            |                                |
| At 1 January 2013                | 51,817                         |
| Additions in year                | 25,085                         |
| At 31 December 2013              | <u>76,902</u>                  |
| Aggregate depreciation:          |                                |
| At 1 January 2013                | (50,820)                       |
| Charge for the year              | (8,967)                        |
| At 31 December 2013              | <u>(59,787)</u>                |
| Net book amount-31 December 2013 | <u>17,115</u>                  |
| Net book amount-31 December 2012 | <u>997</u>                     |

**FOLKESTONE HARBOUR LIMITED PARTNERSHIP**  
**Notes to the financial statements continued**

| <b>7 Debtors</b>                          | <b>2013</b>   | <b>2012</b>    |
|-------------------------------------------|---------------|----------------|
|                                           | £             | £              |
| Prepayments                               | 11,164        | 10,656         |
| Trade debtors                             | 20            | 20,129         |
| Other debtors                             | 19,405        | 80,332         |
| Amounts due from other group undertakings | 5,762         | 45,868         |
|                                           | <u>36,351</u> | <u>156,985</u> |

| <b>8 Inventory</b>        | <b>2013</b>       | <b>2012</b>      |
|---------------------------|-------------------|------------------|
|                           | £                 | £                |
| Land held for development | <u>29,500,000</u> | <u>7,742,000</u> |

As explained in note 1 there has been a reduction in the write down of inventory during 2013 of £21,488,462 (2012 : £1,190,808).

| <b>9 Creditors</b>                    | <b>2013</b>   | <b>2012</b>   |
|---------------------------------------|---------------|---------------|
| - amounts falling due within one year | £             | £             |
| Accruals                              | 31,172        | 17,960        |
| Other tax and social security         | 5,613         | 5,746         |
| Trade creditors                       | 54,039        | 18,250        |
|                                       | <u>90,824</u> | <u>41,956</u> |

| <b>10 Creditors</b>                            | <b>2013</b>      | <b>2012</b>      |
|------------------------------------------------|------------------|------------------|
| - amounts falling due after more than one year | £                | £                |
| Loans from other group undertakings            | 3,605,976        | 3,500,971        |
| Loan from partner                              | 625,000          | 625,000          |
|                                                | <u>4,230,976</u> | <u>4,125,971</u> |

The loans are interest free and although repayable on demand, the lenders have indicated that they do not intend to demand repayment within the next 12 months. Of the amount due to other group undertakings, £2,510,000 (2012: £2,390,000) is secured on the assets of the partnership under the terms of a loan agreement dated 13 October 2010.

| <b>11 Partners' Capital</b>  | <b>2013</b>       | <b>2012</b>      |
|------------------------------|-------------------|------------------|
|                              | £                 | £                |
| At 1 January                 | 3,895,897         | 2,707,913        |
| Profit/(loss) for the period | 21,435,094        | 1,187,984        |
| At 31 December               | <u>25,330,991</u> | <u>3,895,897</u> |

## **FOLKESTONE HARBOUR LIMITED PARTNERSHIP**

### **Notes to the financial statements continued**

#### **11 Related party disclosures**

Roger De Haan, through an intermediate holding company (Folkestone Harbour Holdings Limited), owns 100% of the partner companies and Folkestone Harbour Company Limited.

The partnership owes £625,000 to Folkestone Harbour (1) Limited by way of an interest free loan (2012- £625,000).

The partnership owes £1,091,341 to Folkestone Harbour Company Limited by way of an interest free loan (2012- £1,091,341).

The partnership owes £2,514,635 to Folkestone Harbour Holdings Limited by way of an interest free loan (2012- £2,409,630).

The partnership is owed £100 (2012: £100) by each of the following companies: Folkestone Harbour (1) Limited, Folkestone Harbour (2) Limited, Folkestone Harbour (3) Limited and Folkestone Harbour (4) Limited.

The partnership is owed £5,362 (2012: £45,468) by Folkestone Harbour Company Limited.