MCF Commercial Limited

Accounts 31 March 2016

together with directors' and auditor's reports

Registered number: 06278481

Directors and Officers

Directors

SJ Crossley

CG Martin

CR Ayres

Secretary and Registered Office

CG Martin

Lunar House

Mercury Park

Wooburn Green

High Wycombe

Bucks

HP10 0HH

Auditor

Nexia Smith & Williamson

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Bankers

Barclays Bank Plc

28 George Street

Luton

LU1 2AE

The directors present their report and the audited accounts for the year ended 31 March 2016.

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

Disclosure of information to the auditor

Each director of the Company has confirmed that, in fulfilling their duties as a director, they have:

- taken all necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is aware of that information; and
- so far as they are aware, there is no relevant audit information of which the auditor has not been made aware.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Principal activities

The principal activities of the Company during the year were primarily as a holding company for a group involved in property acquisition, development and trading and golf club activities. The directors are satisfied with the Company's performance for the year.

Directors' report (continued)

For the year ended 31 March 2016

Directors

The directors of the Company during the year were:

SJ Crossley

CG Martin

CR Ayres

Auditor

The current auditor, Nexia Smith & Williamson, is deemed to be reappointed as auditor.

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

By order of the Board

CG Martin

Secretary

15 December 2016

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCF COMMERCIAL LIMITED

We have audited the financial statements of MCF Commercial Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related notes 1 to 16. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

Nexia Smith & Williamson

Jacqueline Oakes
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 15 December 2016

Statement of comprehensive income

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Write back of impairment of investment		3,339,912	8,105,197
Administrative expenses		(14)	(18)
Profit on ordinary activities before taxation	5	3,339,898	8,105,179
Tax on profit on ordinary activities	6	-	-
Total comprehensive income for the year		3,339,898	8,105,179

All of the above results derive from continuing activities.

Statement of financial position

At 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	7	41,363,812	38,023,900
Current assets			
Debtors	8	2,106,849	12,368,940
		2,106,849	12,368,940
Creditors: amounts falling due within one year	9	(40,804,590)	(51,066,667)
Net current liabilities		(38,697,741)	(38,697,727)
Net assets / (liabilities)		2,666,071	(673,827)
Capital and reserves			
Called-up share capital	10	1	1
Retained earnings	11	2,666,070	(673,828)
Shareholder's funds / (deficit)		2,666,071	(673,827)

The accounts were approved by the board of directors on 15 December 2016 and signed on its behalf by:

CG Martin

Director

Statement of changes in equity
At 31 March 2016

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2014	1	(8,779,007)	(8,779,006)
Total comprehensive income for the year	-	8,105,179	8,105,179
Balance at 31 March 2015	1	(673,828)	(673,827)
Total comprehensive income for the year	-	3,339,898	3,339,898
Balance at 31 March 2016	1	2,666,070	2,666,071

Notes to the accounts
For the year ended 31 March 2016

1 General information

The principal activities of the Company is as a holding company for a group involved in property acquisition, development and trading.

The Company is incorporated in the United Kingdom and registered in England and Wales, with its registered office being Lunar House, Mercury Park, High Wycombe HP10 OHH.

2 Principal accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year where applicable.

Basis of accounting

These financial statements are the first annual financial statements of the Company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (September 2015). The first date at which FRS 102 was applied was 1 April 2014. In accordance with FRS 102 the Company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 16.

The financial statements have been prepared under the historical cost convention and in accordance with the Company's accounting policies.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling.

Disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following exemptions available:

- the exemption from providing certain financial instruments disclosures (given equivalent disclosures have been given for the Group);
- the exemption from preparing a statement of cash flows; and
- the exemption from disclosing key management personnel compensation.

Going concern

The Company has made a profit of £3,339,898 (2015: £8,105,179) in the year. The Directors have prepared forecasts for the foreseeable future and covering no less than 12 months from the date of approval of the financial statements. Based on the forecasts prepared, the Directors are confident that the Company is a going concern.

Group financial statements

The financial statements present information about MCF Commercial Limited as a single undertaking and not about its group. Group accounts have not been prepared as the Company is exempt from the requirement to do so by virtue of Section 400 Companies Act 2006, on the grounds that it is a wholly owned subsidiary undertaking and its ultimate parent company Comland PLC, is established under the law of the member state of the European Union and produces group accounts.

Investments in subsidiary companies

Fixed asset investments in subsidiary companies are shown at cost less provision for impairment, if appropriate.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between the Company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price, including transaction costs, except for those financial assets and liabilities classified as at fair value through profit or loss, where they are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction in which case they are measured at the present value of future payments, discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Statement of Financial Position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria set out within section 11 of FRS 102 for basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria for a basic financial instrument, are measured at the undiscounted amount of cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents

Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

Financial assets comprise trade and other debtors.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Critical accounting judgements and key sources of estimate uncertainty

In the application of the Company's accounting policies, which are described in the statement of accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Investments

The carrying value of investments is determined by the net asset value of the investment held.

4 Employees

Other than the directors, the Company had no employees during this year or the previous year.

No director received any remuneration in this year or the previous year.

5 Profit on ordinary activities before taxation

This is stated after crediting the following:

	2016	**2015**
	£	**£**
Write back of investments/impairment provision	(3,339,912)	(8,105,197)

In both years the auditors' remuneration for audit services and other services in relation to taxation was expensed by a fellow subsidiary of Comland PLC, Comland Commercial Limited.

6 Tax on profit on ordinary activities

The tax charge comprises:

	2016 £	2015 £
Current taxation		
UK corporation tax	-	-
Tax reconciliation		
Profit on ordinary activities before tax	3,339,898	8,105,179
Profit on ordinary activities multiplied by 20% standard UK corporation tax rate (2015: 21%)	667,980	1,621,036
Tax effects of:		
Group relief surrendered	2	4
Expenses not deductible for tax purposes	(667,982)	(1,621,040)
Total current tax charge	-	-

Factors affecting future tax charges

On 15 September 2016 Parliament approved a reduction in the corporation tax rate to 17% for the tax years from April 2020.

7 Investments

	Subsidiary undertakings 2016 £
Cost	
At 1 April 2015	43,286,943
Additions	-
At 31 March 2016	43,286,943
Provision for impairment	
At 1 April 2015	(5,263,043)
Written back	3,339,912
At 31 March 2016	(1,923,131)
Net book value	
At 31 March 2016	41,363,812
At 31 March 2015	38,023,900

All of the principal trading subsidiary undertakings operate in the United Kingdom and are involved in property acquisitic development and trading, unless otherwise stated.

Notes to the accounts (continued)

For the year ended 31 March 2016

7 Investments (continued)

The company owns 100% of the following subsidiary undertakings:

- Comland Commercial Limited
- Comland Wessex Limited
- Comland Prospect Number Two Limited (*formerly Comland Uxbridge Limited name changed 22 June 2015*)
- Denmark Court (Wokingham) Limited

Comland Commercial Limited owns 100% of the following subsidiary undertakings:

- Comland Holdings Limited
- Comland Leisure Limited

Comland Holdings Limited owns 100% of the following subsidiary undertakings:

- Comland Industrial & Commercial Properties Limited
- Comland Commercial Estates Limited
- Linerear Limited
- ICM Properties Limited
- Comland Management Limited
- Comland Wethered House Limited
- Comland Prospect House Limited
- Comland 62 High Street Number 1 Limited *(dormant)*
- Comland Chariott House Limited
- Comland Premium House Limited
- Comland Parade Court Limited
- Scenerelay Limited
- Comland Developments Limited *(dormant)*
- Comland Ringlead Limited
- Greenlife Properties Limited
- Greenlife Properties (Ruskin Works) Limited
- Planar House Limited
- Comland Maidenhead Limited *(dormant)*

Comland Industrial and Commercial Properties Limited owns 100% of the following subsidiary undertakings:

- Swan Estate Management Company Limited *(dormant)*

The Comland Leisure Limited group is involved in golf club activities and owns 95.65% of the following subsidiary undertaking:

- Sonning Golf Club Limited (a company which owns and operates Sonning Golf Club)

8 Debtors

	2016 £	2015 £
Amounts owed from group undertakings	1,843,383	12,052,639
Amount due from related parties	263,466	316,301
	2,106,849	12,368,940

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	40,804,590	51,066,667

10 Called-up share capital

	2016 £	2015 £
Allotted, called-up and fully paid		
1 ordinary shares of £1 each	1	1

11 Reserves

The Company's reserves are as follows:

The retained earnings represents cumulative profits and losses, net of dividends paid and other adjustments.

12 Contingent liabilities

There are unlimited cross guarantees between the Company and certain other group companies in favour of Barclays Bank PLC.

13 Related party transactions

Transactions with entities which are part of the Comland PLC Group are not disclosed in these financial statements, as the Company has taken advantage of the exemption available in FRS 102 Section 33.1A to not disclose transactions with wholly owned group companies.

14 Ultimate parent company

The ultimate parent company is Comland PLC. Copies of the group accounts can be obtained at Lunar House, Mercury Park, Wycombe Lane, Wooburn Green, High Wycombe, Bucks HP10 0HH.

15 Controlling party

At 31 March 2016 Mr SJ Crossley, a director of Comland PLC, controlled the company as a result of controlling directly 34.1% of the issued share capital of Comland PLC, and a further 65.8% through other indirect interests including non-beneficial interests for which he is a trustee.

Of these indirect interests 37.7% of the issued share capital of Comland PLC is a non-beneficial interest for which Mr SJ Crossley and Mr CG Martin, all directors of Comland PLC, control as trustees. Mr SJ Crossley is a trustee of a further non-beneficial interest of 11.1% of the issued share capital. Mr SJ Crossley is a discretionary beneficiary of 17% of the issued share capital.

16 FRS 102 transition

These financial statements are the Company's first financial statements that comply with FRS 102. The date of transition to FRS 102 was 1 April 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.