

**Millwall Properties Limited**

Report and Financial Statements

Year Ended

30 June 2016

**Registered number: 05850820**



## **Millwall Properties Limited**

### **Annual report and financial statements for the year ended 30 June 2016**

---

#### **Contents**

##### **Page:**

1	Directors and advisers
2-4	Report of the directors
5-6	Report of the independent auditors
7	Statement of comprehensive income
8	Balance sheet
9	Statement of changes in equity
10	Notes forming part of the financial statements

---

#### **Directors**

J G Berylson  
D Kouvaris  
S Kavanagh

#### **Secretary and registered office**

T B Simmons, The Den, Zampa Road, London, SE16 3LN.

#### **Company number**

05850820

#### **Independent Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU.

#### **Bankers**

Barclays Bank plc, Corinthian House, 17 Lansdown Road, Croydon, Surrey, CR0 2BX.

#### **Solicitors**

Lewis Silkin, Windsor House, 5 Chancery Lane, Clifford's Inn Passage, London EC4A 1BL.

## **Millwall Properties Limited**

### **Report of the directors for the year ended 30 June 2016**

---

The directors present their report together with the audited financial statements for the year ended 30 June 2016.

#### **Results and dividends**

The statement of comprehensive income is set out on page 7 and shows the loss for the year. The directors do not recommend payment of a dividend (2015: £Nil).

#### **Principal activity**

The Company's principal activity is that of a developer in the regeneration of the area surrounding The Den, the football stadium of Millwall Football Club (the "Club"), a fellow group undertaking.

#### **Prospects**

Last year your directors reported that the Company was very much in favour of the redevelopment and regeneration of the New Bermondsey Housing Zone, a substantial area surrounding and including The Den. The majority of the project is being carried out by Renewal Group with which, it may be remembered, discussions were held for the inclusion of land belonging to the Club and to the Millwall Community Trust (MCT) within the Renewal scheme; those discussions came to nothing. It may also be remembered that, at one time, the Company had agreed detailed heads of terms with the Lewisham District Council (Council) whereby the Company would be allowed to develop the land surrounding the stadium for its own account, with a portion of any profit going to the Council, the Club's landlord; that deal was unilaterally withdrawn by the Council.

The Company has therefore put forward its own scheme for the development of the land that the Club and the MCT own. That scheme would create a significant amount of much-needed affordable and private housing, student accommodation, retail and office space and a substantial hotel and conference centre. The proposed plans incorporate a facelift for the stadium itself, a new home for the MCT, affordable work space for some of the Club's neighbouring businesses and, very importantly, allow for the future extension of The Den and ensure the safe operation of the stadium on match days. The original plans were prepared in 2013 but during this last year they have been extensively updated and revised and discussions have been opened with the local planning officers to press the Company's case for being allowed to undertake that part of the development of New Bermondsey that relates to the land around the stadium.

The directors fully endorse and support the Council's stated intention that the Club and its stadium should be at the heart of the thriving and brighter community that can emerge in Lewisham and wish to ensure that the Company plays a full part in making this happen, and benefits accordingly. The Company's scheme provides an opportunity to bring much greater financial stability to the Club by generating the essential non-football revenues which are vital to the long term future of any football club.

Unfortunately, the Council has consistently declined to consider the Millwall proposals and instead took two important decisions back in September 2013. One was to grant Renewal Group an exclusive right to develop and profit from New Bermondsey thereby shutting the Company out of any involvement in the regeneration of the land surrounding The Den. The other was to sell its freehold interests in all that land to Renewal Group without giving the Company any opportunity to buy them, preferring instead to deal secretly with a private property developer which is owned offshore and, by its own admission, has no experience of carrying out developments of this size.

In the opinion of the directors, those decisions materially and adversely affected not only the Club and its community scheme but also the livelihoods and futures of its neighbours and friends. Accordingly, the Company's representatives have challenged the Council's actions and are seeking full disclosure of the circumstances in which the decisions were made and the documents and investigations on which they appear to have been based. The Information Commissioner has backed the Club. The Council and Renewal Group have appealed and there is to be a full hearing later this November.

Furthermore, the Council has long been threatening to use compulsory purchase powers to acquire the land belonging to the Club, the MCT and several of our neighbours, both businesses and individual homeowners. In February this year, the Council tried to obtain the necessary powers but a flurry of adverse publicity and legal challenges organised by the Club saw the decision postponed. The Council tried again in September but this time the Council's own Overview and Scrutiny Committee halted the process. At the time of this report, your directors wait to hear whether or not the process will be resumed. If it is, the Company will vigorously contest it and believes that it has many important arguments and facts to place before any appointed Planning Inspector.

## **Millwall Properties Limited**

### **Report of the directors for the year ended 30 June 2016 (continued)**

---

#### **Prospects (continued)**

A lot of this unhappy saga has appeared in the media but interested shareholders are referred to a series of articles that appeared in The Guardian. These can be accessed online by visiting the Communication/Announcements page of the Company's website at: <http://www.millwallholdingsplc.co.uk>

The Company will continue to do its very best to persuade the Council of the synergy that exists between a football club and its local authority and that working together is always in the best interests of the community as a whole.

#### **Basis of preparation**

The financial statements have been prepared on a going concern basis. The directors believe it is appropriate to prepare the accounts on this basis as they have obtained confirmation that the immediate parent undertaking intends to continue to support the Company for the foreseeable future. In forming this opinion the Board has given consideration to the loan facilities currently available to the immediate parent entity, an undertaking of financial support provided to that entity and cash flow projections for a period of not less than twelve months from the date of signing these accounts.

#### **Political and charitable donations**

During the year, the Company made no charitable or political donations.

#### **Directors**

The directors of the Company during the year and to the date of this report were:

J G Berylson  
D Kouvaris  
A Ambler (resigned 30 October 2016)  
S Kavanagh (appointed 31 October 2016)

All of the directors are also directors of the immediate parent company, Millwall Holdings Plc.

#### **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; and
- 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.

**Millwall Properties Limited**

**Report of the directors for the year ended 30 June 2016 *(continued)***

---

**Auditors**

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

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

In preparing this directors' report advantage has been taken of the small companies exemption.

**On behalf of the Board**



**S Kavanagh**  
Director

Date: 9 February 2017

## Millwall Properties Limited

### Report of the independent auditors

---

#### To the members of Millwall Properties Limited

We have audited the financial statements of Millwall Properties Limited for the year ended 30 June 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 auditors*

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with 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](http://www.frc.org.uk/auditscopeukprivate).

#### *Opinion on the financial statements*

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Millwall Properties Limited**

**Report of the independent auditors (*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 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 directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP .

**Mr Ian Clayden (senior statutory auditor)**

*For and on behalf of BDO LLP, statutory auditor*

*London*

*United Kingdom*

Date: 9 February 2017

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

**Millwall Properties Limited**

**Statement of comprehensive income for the year ended 30 June 2016**

	Note	2016 £	2015 £
Administrative expenses		(183,865)	(93,411)
<b>Operating loss and loss on ordinary activities before taxation</b>	3	<u>(183,865)</u>	<u>(93,411)</u>
Taxation		-	-
<b>Loss and total comprehensive loss for the financial year</b>		<u><u>(183,865)</u></u>	<u><u>(93,411)</u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses in the current or preceding year, other than the loss stated above.

The notes on pages 10 to 12 form part of these financial statements.

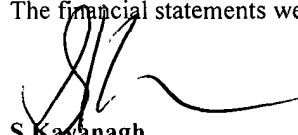
**Millwall Properties Limited**

**Balance sheet at 30 June 2016**

Company number: 05850820

	Note	2016 £	2015 £
<b>Current assets</b>			
Amount due from immediate parent undertaking		1	1
<b>Creditors: amounts falling due within one year</b>	6	(3,101,962)	(2,918,097)
		<u>                    </u>	<u>                    </u>
<b>Net current assets</b>		(3,101,961)	(2,918,096)
		<u>                    </u>	<u>                    </u>
<b>Total assets</b>		(3,101,961)	(2,918,096)
		<u>                    </u>	<u>                    </u>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Retained earnings		(3,101,962)	(2,918,097)
		<u>                    </u>	<u>                    </u>
<b>Shareholder's funds (in deficit)</b>		(3,101,961)	(2,918,096)
		<u>                    </u>	<u>                    </u>

The financial statements were approved by the Board of Directors and authorised for issue on 9 February 2017

  
S Kavanagh  
Director

The notes on pages 10 to 12 form part of these financial statements.

**Millwall Properties Limited**

**Statement of changes in equity for the year ended 30 June 2016**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>1 July 2015</b>	<b>1</b>	<b>(2,918,097)</b>	<b>(2,918,096)</b>
<b>Comprehensive loss for the year:</b>			
Loss for the year	-	(183,865)	(183,865)
	<hr/>	<hr/>	<hr/>
<b>30 June 2016</b>	<b>1</b>	<b>(3,101,962)</b>	<b>(3,101,961)</b>
	<hr/>	<hr/>	<hr/>
	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>1 July 2014</b>	<b>1</b>	<b>(2,824,686)</b>	<b>(2,824,685)</b>
<b>Comprehensive loss for the year:</b>			
Loss for the year	-	(93,411)	(93,411)
	<hr/>	<hr/>	<hr/>
<b>30 June 2015</b>	<b>1</b>	<b>(2,918,097)</b>	<b>(2,918,096)</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 12 form part of these financial statements.

## Millwall Properties Limited

### Notes forming part of the financial statements for the year ended 30 June 2016

---

#### 1 Accounting policies

Millwall Properties Limited is a Company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

These financial statements are the first financial statements of the Company prepared under FRS 102. However, there were no changes in accounting policies arising as a result of adopting FRS 102 and therefore there is no difference between the result for the year ended 30 June 2015 and the total equity at 30 June 2015 as reported under FRS 102 and that which was reported under the previous UK GAAP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

In preparing the financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company on the basis that the Company and its cash flows are consolidated in the financial statements of its immediate parent company; and
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole in the consolidated in the financial statements of its immediate parent company.

#### *Related party disclosures*

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned entities within the group of which it is a member.

The following principal accounting policies have been applied:

#### *Going concern*

The directors continually monitor the financial position of the Company and its wider group, taking into account the latest cash flow forecasts and the ability of the Company to generate cash. The directors have prepared the financial statements on a going concern basis having had regard to cash flow projections for a period of not less than twelve months from the date of signing these accounts, which includes funding from the immediate parent company financed by the ultimate parent company.

While there will always remain some inherent uncertainty the directors remain confident that they will be able to manage the Company's finances and operations so as to achieve the forecasted cash flows and, as a result, that it is appropriate to draw up the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result if the going concern basis of preparation were to become no longer appropriate.

#### *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

## 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described on the previous page, 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

However, no material judgements were required in the preparation of the financial statements for the current period.

## 3 Operating loss

The auditors' remuneration for the current and preceding year has been incurred and settled by the Company's immediate parent undertaking.

## 4 Staff costs

The Company had no employees during the current or preceding year.

### *Directors' remuneration, interests and transactions*

The Company's key management personnel are considered to be its directors. None of the directors received any remuneration from the Company during the current or preceding year.

## 5 Tax on loss on ordinary activities

No taxation charge arises due to the incidence of losses incurred during the year.

The tax assessed for the year differs to the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(183,865)	(93,411)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	(36,773)	(19,383)
Effects of: Increase in losses carried forward	36,773	19,383
Current tax charge for year	-	-

### *Factors that may affect future tax charges*

A deferred taxation asset has not been recognised in respect of tax losses totalling £3,095,135 (2015: £2,911,270) given the inherent uncertainty of future profits. The unprovided deferred tax asset is calculated at £526,173 (2015: £582,254).

**Millwall Properties Limited**Notes forming part of the financial statements for the year ended 30 June 2016 *(continued)***6 Creditors: amounts falling due within one year**

	2016 £	2015 £
Amounts owed to immediate parent undertaking	3,101,962	2,918,097

The amount due to the immediate parent undertaking is interest free, unsecured and has no fixed terms of repayment.

**7 Called up share capital**

	Allotted, called up and fully paid 2016 £	Allotted, called up and fully paid 2015 £
1 ordinary share of £1	1	1

**8 Controlling party information**

Millwall Holdings PLC is the immediate parent undertaking of the Company and the parent of the only group to prepare consolidated financial statements which include the results of the Company. Copies of those group accounts have been delivered to, and are available from, the Registrar of Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.

Millwall Holdings PLC is under the control of Chestnut Hill Ventures LLC, a company which is incorporated in the USA. Chestnut Hill Ventures LLC is ultimately controlled jointly by J G Berylson and R A Smith, as Trustee of the Phillip Smith dec'd Will Trust.