

Millwall Properties Limited

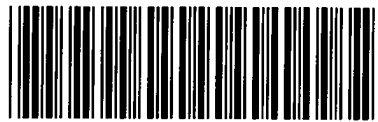
Report and Financial Statements

Year Ended

30 June 2019

Registered number: 05850820

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Millwall Properties Limited**Annual report and financial statements for the year ended 30 June 2019**

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, 50 Victoria Street, London SW1 0NW.

Millwall Properties Limited

Report of the directors for the year ended 30 June 2019

The directors present their report together with the audited financial statements for the year ended 30 June 2019.

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 (2018: £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.

Business review and prospects

Last year's report on regeneration referred to the long and unhappy saga of the land around the stadium (the Den) and the disputes with Lewisham Council and Renewal, the developer of the adjacent site, but at the same time noted our constructive dialogue with the new mayor, Damien Egan, and his senior planning officers.

The architects appointed by the Company have come up with an excellent scheme to redevelop and regenerate the land around the Den which satisfied all the Club's aspirations, in particular to bring the stadium and its facilities capable of meeting premier league standards. The scheme provides for the expansion of the stadium itself, significantly increased media facilities, improved hospitality services, a new centre for Millwall Community Trust within the stadium, protection of our Youth Academy's status, and a hotel and conference centre. The architects are also developing proposals for creating an open plaza in front of the stadium which can become an attractive focal point for the local community together with a significant number of new homes, affordable housing and associated commercial opportunities.

The scheme found favour not only with Lewisham Council but also with Renewal and it has been agreed between all parties that the Council will now take responsibility for the master planning of the New Bermondsey development scheme and that the Company and Renewal will be allowed to develop their respective landholdings.

Furthermore The Company has been told that the threat of having any part of the lands occupied by the Club or the community scheme being compulsorily acquired by the Council and handed to Renewal has been lifted; indeed Renewal has confirmed that it no longer has any ambition to develop any part of that land.

At a meeting attended by the new mayor, his Head of Planning and your Chairman, it was agreed in principle that a new lease of all the land occupied by the Club and MCT would be granted with a term of not less than 250 years and containing provisions allowing the redevelopment to be carried out and then used for the purposes that it was intended.

And, finally and because of the progress that has been made, the conditional land sale agreement (which was referred to in the last report and which has been a substantial stumbling block to progress) is to be terminated.

This is all very good news for the Company, for the Club, for its supporters, for the Community Scheme and, above all, for the local community.

In order to deliver all this, directors have decided that the Company will need to partner with a development and construction company with the necessary experience, expertise and financial resources.

After an extensive selection process, just such a potential partner with an outstanding record of designing and delivering major regeneration and redevelopment schemes in and around London has been identified. The company is well-known to and thoroughly approved by the Council and, at the time of this report, your Company is in exclusive negotiations with the putative partner and well-advanced in agreeing a mutually satisfactory formal agreement. In the event of negotiations being concluded satisfactorily, the identity and credentials of the partner will be made public.

After several years of rather gloomy news on the regeneration front, it is nice to be able to report such progress with both Council and Renewal and it is to be hoped that the planning process proceeds smoothly, that the conditional land sale agreement is formally terminated in the very near future and that the negotiations for the promised new lease can commence soon.

Millwall Properties Limited**Report of the directors for the year ended 30 June 2019 *(continued)***

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 political or charitable donations (2018: £Nil).

Millwall Properties Limited

Report of the directors for the year ended 30 June 2019 (continued)

Directors

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

J G Berylson
D Kouvaris
S Kavanagh

All of the current 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.

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

Millwall Properties Limited

Report of the independent auditors

To the members of Millwall Properties Limited

Opinion

We have audited the financial statements of Millwall Properties Limited (the 'Company') for the year ended 30 June 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you the financial statements are not prepared on a going concern basis:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Millwall Properties Limited

Report of the independent auditors (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Clayden (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date:

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 2019**

	Note	2019 £	2018 £
Administrative expenses		(154,523)	(227,150)
Operating loss and loss on ordinary activities before taxation	3	(154,523)	(227,150)
Taxation	5	-	-
Loss and total comprehensive loss for the financial year		(154,523)	(227,150)

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.

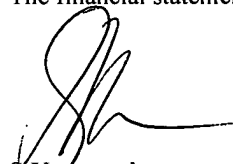
The notes on pages 10 to 12 form part of these financial statements.

Millwall Properties Limited**Balance sheet at 30 June 2019**

Company number: 05850820

	Note	2019 £	2018 £
Current assets			
Amount due from immediate parent undertaking		1	1
Creditors: amounts falling due within one year	6	(3,923,596)	(3,769,073)
		<hr/>	<hr/>
Net current liabilities		(3,923,595)	(3,769,072)
		<hr/>	<hr/>
Total liabilities		(3,923,595)	(3,769,072)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	1	1
Retained earnings		(3,923,596)	(3,769,073)
		<hr/>	<hr/>
Shareholder's funds (in deficit)		(3,923,595)	(3,769,072)
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 8 November 2019



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 2019**

	Share capital £	Retained earnings £	Total equity £
1 July 2018	1	(3,769,073)	(3,769,072)
Comprehensive loss for the year:			
Loss for the year	-	(154,523)	(154,523)
	<hr/>	<hr/>	<hr/>
30 June 2019	1	(3,923,596)	(3,923,595)
	<hr/>	<hr/>	<hr/>
	Share capital £	Retained earnings £	Total equity £
1 July 2017	1	(3,541,923)	(3,541,922)
Comprehensive loss for the year:			
Loss for the year	-	(227,150)	(227,150)
	<hr/>	<hr/>	<hr/>
30 June 2018	1	(3,769,073)	(3,769,072)
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The notes on pages 10 to 12 form part of these financial statements.

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.

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 above and 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:

	2019 £	2018 £
Loss on ordinary activities before tax	(154,523)	(227,150)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	(29,359)	(43,159)
Effects of:		
Increase in losses carried forward for which no deferred tax asset is recognised	29,359	43,159
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 £3,916,771 (2018: £3,762,248) given the inherent uncertainty of future profits. The unprovided deferred tax asset is calculated at £665,851 (2018: £639,582).

Millwall Properties Limited**Notes forming part of the financial statements for the year ended 30 June 2019 (continued)**

6 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to immediate parent undertaking	3,923,596	3,769,073

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 2019 £	Allotted, called up and fully paid 2018 £
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.