

FOLKESTONE HARBOUR (1) LIMITED
DIRECTOR'S REPORT AND ACCOUNTS

31 DECEMBER 2015

Company Registration Number: 5972492



FOLKESTONE HARBOUR (1) LIMITED

Director's report

Director: Sir Roger De Haan

Secretary: Richard Fraser

Registered Office: Strand House, Pilgrims Way, Monks Horton, Ashford, Kent TN25 6DR

Company number: 5972492

The director submits his report together with the audited accounts of the company for the year ended 31 December 2015.

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 48.163%. Following the grant of planning permission, the business is now focusing its efforts on plans for commencing the redevelopment programme.

Director

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

Results and dividends

The profit for the period amounted to £5,190,799 (2014 loss - £937,548) and has been transferred to reserves. No dividend is payable. The large profit arises from the part release of prior year impairment provisions.

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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

KPMG LLP have expressed their willingness to continue in office as auditor 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.

Director's report continued

By order of the board

A handwritten signature in black ink, appearing to read 'R J Fraser', written in a cursive style.

R J Fraser
Secretary

Registered Office
Strand House
Pilgrims way
Monks Horton
Ashford
Kent
TN25 6DR

FOLKESTONE HARBOUR (1) 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 (1) LIMITED

We have audited the financial statements of Folkestone Harbour (1) Limited for the year ended 31 December 2015 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

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 2015 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 (1) LIMITED

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; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



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

Date: 12/07/16

FOLKESTONE HARBOUR (1) LIMITED
Profit and loss account for the year ended 31 December 2015

	Note	2015 £	2014 £
Administrative expenses		(433)	(433)
Release of impairment/(impairment) of investment	4	5,191,232	(937,115)
Profit/(loss) on ordinary activities before taxation	2	5,190,799	(937,548)
Taxation	3	-	-
Profit/(loss) on ordinary activities after taxation		5,190,799	(937,548)

Continuing operations

All activities are continuing.

Other comprehensive income

The Company has no other comprehensive income other than the amounts shown above.

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR (1) LIMITED
Balance sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	4	16,454,282	11,263,050
Current assets			
Debtors	5	625,000	625,000
Cash at bank and in hand		40	73
		<u>625,040</u>	<u>625,073</u>
Creditors			
- Amounts falling due within one year	6	(30,021,275)	(3,802)
Net current (liabilities)/assets		<u>(29,396,235)</u>	<u>621,271</u>
Creditors			
- Amounts falling due after more than one year	7	-	(30,017,073)
Net liabilities		<u>(12,941,953)</u>	<u>(18,132,752)</u>
Capital and reserves			
Called- up share capital	8	2	2
Profit and loss account	9	(12,941,955)	(18,132,754)
Shareholder's deficit	10	<u>(12,941,953)</u>	<u>(18,132,752)</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 ~~30~~ June 2016.



RM De Haan
Director

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR (1) LIMITED

Notes to the financial statements

1 Accounting policies

a) Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and adopted for the first time in the current period. The presentation currency of these financial statements is sterling. These financial statements have been prepared under the historical cost convention.

In these financial statements, the Company is considered to be a small entity (for the purposes of this FRS) and has applied the exemptions available under Section A of FRS 102 in respect of the preparation of a Cash Flow Statement and related notes and a Statement of Changes in Equity.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. As such, no equity reconciliations between UK GAAP and FRS 102 at the transition and comparative dates have been presented.

The Company considered the effect of the transitional arrangements of FRS 102 on the interest free loans as disclosed in notes 6 and 7. Under FRS 102 borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method, less any impairment losses. As stated in note 6, with effect from 1 January 2015 the loans were made repayable on demand and are therefore held at par. The Company has not restated the 31 December 2014 position to impute a market rate of interest on the loans prior to the variation of the loan agreements. The Company considered that such an adjustment would not be beneficial to the users of these financial statements because the adjustment would be recognised and immediately released in the two periods being presented in these financial statements. The carried forward profit and loss account reserve would be unchanged as currently presented at 31 December 2015.

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 £5,191,232 (2014 decrease - £937,115). 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) Investments

Investments are held at cost less any provision for impairment.

FOLKESTONE HARBOUR (1) LIMITED
Notes to the financial statements continued

c) 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 ("FHHL"), the company's ultimate parent. FHHL has indicated that for at least 12 months from the date of approval of these financial statements, it intends 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 by FHHL and its subsidiary companies. 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.

2	Profit/(loss) on ordinary activities before taxation	2015	2014
		£	£
	Is stated after charging:-		
	Audit fees	400	400

There were no other fees charged by the auditor in either the current year or the prior year. The director received no remuneration for his services to the company in either the current year or the prior year.

3	Tax on profit/(loss) on ordinary activities	2015	2014
		£	£
	Current tax	-	-
	Reconciliation of Current Tax charge:		
	Profit/(loss) on ordinary activities before taxation	5,190,799	(937,548)
	Taxation at 20.25% (2014:21.49%)	1,051,137	(201,479)
	Tax on share of partnership result	(20,171)	(12,131)
	Group relief	-	-
	Unrelieved losses	20,258	12,224
	Non-deductible (income)/expense	(1,051,224)	201,386
		-	-
	Total non-utilised tax losses		
	At 1 January	599,201	542,320
	At 31 December	699,245	599,201

FOLKESTONE HARBOUR (1) LIMITED
Notes to the financial statements continued

4 Investment

Cost:	£
At 1 January 2015	24,250,010
Additions	-
At 31 December 2015	<u>24,250,010</u>
Impairment losses:	
At 1 January 2015	(12,986,960)
Release in the year	5,191,232
At 31 December 2015	<u>(7,795,728)</u>
Net book amount at 31 December 2015	<u>16,454,282</u>
Net book amount at 31 December 2014	<u>11,263,050</u>

The reason for the impairment release is explained in note 1.
The investment comprises a 48.163% partnership share in Folkestone Harbour Limited Partnership.

5 Debtors

	2015	2014
	£	£
Loan to Folkestone Harbour Limited Partnership	<u>625,000</u>	<u>625,000</u>

Although the loan is repayable on demand, the director does not anticipate repayment during the next twelve months.

6 Creditors

	2015	2014
	£	£
- amounts falling due within one year		
Amount due to parent undertaking	4,102	3,702
Amount due to Folkestone Harbour Limited Partnership	100	100
Loan from other group undertaking	29,391,963	-
Loan from parent undertaking	625,110	-
	<u>30,021,275</u>	<u>3,802</u>

With effect from 1 January 2015 the loans are repayable on demand and were therefore reclassified as creditors falling due within one year in the current period. They are also interest free. The lenders have indicated that they do not intend to demand repayment within the next 12 months.

FOLKESTONE HARBOUR (1) LIMITED
Notes to the financial statements continued

7	Creditors	2015	2014
	- amounts falling due after more than one year	£	£
	Loan from other group undertaking	-	29,391,963
	Loan from parent undertaking	-	625,110
		<u>-</u>	<u>30,017,073</u>
8	Called up share capital	2015	2014
	Authorised	£	£
	100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted and fully paid		
	2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
9	Profit and loss account	2015	2014
		£	£
	At 1 January	(18,132,754)	(17,195,206)
	Profit/(loss) for the year	5,190,799	(937,548)
	At 31 December	<u>(12,941,955)</u>	<u>(18,132,754)</u>
10	Reconciliation of movement in shareholder's deficit	2015	2014
		£	£
	Total Comprehensive Income relating to the year	5,190,799	(937,548)
	Shareholder's deficit brought forward	(18,132,752)	(17,195,204)
	Shareholder's deficit carried forward	<u>(12,941,953)</u>	<u>(18,132,752)</u>
11	Related party disclosures		
	The company has an outstanding loan payable to its parent undertaking, Folkestone Harbour Holdings Limited amounting to £625,110 (2014-£625,110) and a further amount due on inter company current account of £4,102 (2014-£3,702). A loan of £29,391,963 (2014-£29,391,963) is payable to Folkestone Harbour Company Limited, a fellow subsidiary undertaking. The company has a loan of £625,000 (2014-£625,000) receivable from and an amount payable of £100 (2014: £100) to Folkestone Harbour Limited Partnership. The company has a 48.163% interest in Folkestone Harbour Limited Partnership. All of the entities referred to in this section are ultimately controlled by Roger De Haan.		
12	Controlling interest		
	The ultimate controlling shareholder is Roger De Haan. The immediate and ultimate parent company is Folkestone Harbour Holdings Limited.		

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
FINANCIAL STATEMENTS

31 DECEMBER 2015

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 2015.

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, the business is now focusing its efforts on commencing the redevelopment programme.

Results for the year

The profit for the year amounted to £10,778,465 (2014 loss - £1,945,716) and has been transferred to partners' capital accounts. The large profit arises from the release of c£11 million of impairment provision relating to the partnership's stock of land.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Auditor

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
Director
For and on behalf of Folkestone Harbour (GP) Limited

Strand House,
Pilgrims Way,
Monks Horton,
Ashford
Kent TN25 6DR

Registration number: LP11912

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, including FRS 102 (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 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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.

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 2015 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; or
- the members were not entitled to take advantage of the small companies exemption, as applied to qualifying partnerships, from the requirement to prepare a strategic report.



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

Date: 12/07/16

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Profit and loss account for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	2	147,936	147,155
Cost of sales		-	-
Release/(impairment) of inventory provisions	1	10,978,867	(1,823,050)
Gross profit		11,126,803	(1,675,895)
Administrative expenses		(358,683)	(270,025)
Operating profit		10,768,120	(1,945,920)
Interest receivable	3	10,345	204
Profit/(loss) for the financial year before distributions	4	10,778,465	(1,945,716)
Distributions		-	-
Transfer to partners' income accounts		10,778,465	(1,945,716)

Continuing operations

All of the operations of the partnership are continuing.

Other comprehensive income

The partnership has no other comprehensive income other than the amounts shown above.

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Balance sheet as at 31 December 2015

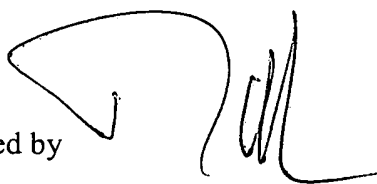
	Note	2015 £	2014 £
Fixed assets			
Tangible assets	6	1,000	8,148
Current assets			
Debtors	7	114,965	263,386
Inventory	8	42,843,254	29,500,000
Cash at bank and in hand		<u>66,825</u>	<u>149,122</u>
		43,025,044	29,912,508
Creditors			
- amounts falling due within one year	9	<u>(8,862,304)</u>	<u>(174,040)</u>
Net current assets		34,162,740	29,738,468
Creditors			
- amounts falling due after more than one year	10	<u>-</u>	<u>(6,361,341)</u>
Net assets attributable to partners		<u>34,163,740</u>	<u>23,385,275</u>

Represented by:

Partners' funds classified as a liability under FRS 102

Partners' loans	<u>34,163,740</u>	<u>23,385,275</u>
Loans and other debts due to partners	<u>34,163,740</u>	<u>23,385,275</u>

These financial statements were approved by
R M De Haan on 30 June 2016



For and on behalf of Folkestone Harbour (GP) Limited

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Statement of Changes in Partners' Capital

	Partner loans 2015 £	Total funds 2015 £	Partner loans 2014 £	Total funds 2014 £
Balance at 1 January	23,385,275	23,385,275	25,330,991	25,330,991
Profit/(loss)	10,778,465	10,778,465	(1,945,716)	(1,945,716)
Total comprehensive income for the year	10,778,465	10,778,465	(1,945,716)	(1,945,716)
Balance at 31 December	<u>34,163,740</u>	<u>34,163,740</u>	<u>23,385,275</u>	<u>23,385,275</u>

The notes on pages 8 to 11 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.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and adopted for the first time in the current period. The presentation currency of these financial statements is sterling. These accounts have been prepared under the historical cost convention.

In these financial statements, the Partnership is considered to be a small entity (for the purposes of this FRS) and has applied the exemptions available under Section A of FRS 102 in respect of the preparation of a Cash Flow Statement and related notes.

In the transition to FRS 102 from old UK GAAP, the Partnership has made no measurement and recognition adjustments. As such, no equity reconciliations between UK GAAP and FRS 102 at the transition and comparative dates have been presented.

A key source of estimation uncertainty within these financial statements surrounds the carrying value of inventory. The Director of the General Partner 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 having obtained external advice. This has given rise to an increase in value for the year of £10,978,867 (2014 decrease - £1,823,050). 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 and motor vehicles – over three years.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

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.

2 Turnover

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

3 Interest receivable

	2015	2014
	£	£
Bank deposit interest receivable	212	204
Other interest	10,133	-
	<u>10,345</u>	<u>204</u>

4 Profit for the financial period before distributions

	2015	2014
	£	£
Is stated after charging:		
Audit fees	<u>4,635</u>	<u>4,635</u>

Other non-audit fees of £24,750 (2014: £2,050) were paid to the auditor for services relating to VAT and tax advice.

5 Staff costs

Employee costs for the year were as follows:

	2015	2014
	£	£
Wages and salaries	130,321	127,782
Social security costs	10,491	10,215
Health care and other benefits	4,036	5,750
Other pension costs	13,787	13,565
	<u>158,635</u>	<u>157,312</u>

The average number of employees during the year was 4 (2014: 4).

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

6	Tangible fixed assets	Fixtures & Fittings	Motor Vehicles	Total
	Cost:	£	£	£
	At 1 January 2015	76,902	-	76,902
	Additions in year	-	1,000	1,000
	Disposals in year	(50,000)	-	(50,000)
	At 31 December 2015	26,902	1,000	27,902
	Aggregate depreciation:			
	At 1 January 2015	(68,754)	-	(68,754)
	Charge for the year	(8,148)	-	(8,148)
	Disposals in year	50,000	-	50,000
	At 31 December 2015	(26,902)	-	(26,902)
	Net book amount - 31 December 2015	-	1,000	1,000
	Net book amount - 31 December 2014	8,148	-	8,148
7	Debtors	2015	2014	
		£	£	
	Prepayments	15,338	16,106	
	Trade debtors	6,266	24,058	
	Other taxes and social security	53,080	219,154	
	Other debtors	-	3,668	
	Amounts due from other group undertakings	40,281	400	
		<u>114,965</u>	<u>263,386</u>	
8	Inventory	2015	2014	
		£	£	
	Land held for development	<u>42,843,254</u>	<u>29,500,000</u>	

As explained in note 1 there has been an increase in the value of inventory during 2015 of £10,978,867 (2014 write down: £1,823,050), arising from a review of the impairment provision.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

9	Creditors	2015	2014
	- amounts falling due within one year	£	£
	Accruals and deferred income	89,762	96,450
	Other tax and social security	5,774	9,542
	Trade creditors	31,157	62,990
	Amount due to group undertakings	9,270	5,058
	Loans from other group undertakings	8,101,341	-
	Loan from partner	625,000	-
		<u>8,862,304</u>	<u>174,040</u>

With effect from 1 January 2015 the loans are repayable on demand and were therefore reclassified as creditors falling due within one year in the current period. They are also interest free. 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, £7,010,000 (2014: £4,645,000, as non-current) is secured on the assets of the partnership under the terms of a loan agreement dated 13 October 2010 and amended 1 January 2015.

10	Creditors	2015	2014
	- amounts falling due after more than one year	£	£
	Loans from other group undertakings	-	5,736,341
	Loan from partner	-	625,000
		<u>-</u>	<u>6,361,341</u>

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 (2014- £625,000).

The partnership owes £1,091,341 to Folkestone Harbour Company Limited by way of an interest free loan (2014- £1,091,341).

The partnership owes £7,010,000 to Folkestone Harbour Holdings Limited by way of an interest free loan (2014- £4,645,000) and £9,270 (2014: £4,635) as a current liability.

The partnership is owed £100 (2014: £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 £39,882 (2014 owes: £423) by Folkestone Harbour Company Limited.