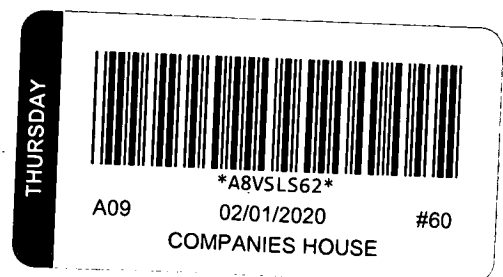


REGISTERED NUMBER: 06455448 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
FOR
HARLEY (WINCHESTER) LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

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HARLEY (WINCHESTER) LIMITED

COMPANY INFORMATION **for the year ended 31 March 2019**

DIRECTORS:

R L Brake
G S Wilkinson
M R Richmond

REGISTERED OFFICE:

Gallagher House
Gallagher Way
Gallagher Business Park
Warwick
CV34 6AF

REGISTERED NUMBER:

06455448 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

**REPORT OF THE DIRECTORS
for the year ended 31 March 2019**

The directors present their report with the audited financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

R L Brake
G S Wilkinson

Other changes in directors holding office are as follows:

S A Burnett - resigned 30 November 2018
M R Richmond - appointed 11 January 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE DIRECTORS - continued
for the year ended 31 March 2019

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

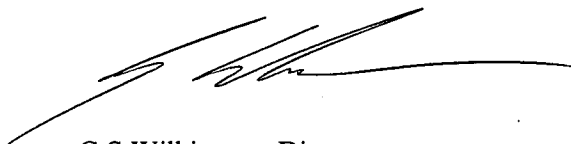
The directors who held office at the date of approval of its report of the directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITORS

KPMG LLP were re-appointed as auditors during the year and have indicated their willingness to be re-appointed for another term. Appropriate arrangements have been put in place for them to be re-appointed as auditors in the absence of an Annual General Meeting.

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'G S Wilkinson', with a long horizontal flourish extending to the right.

G S Wilkinson - Director

10 June 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARLEY (WINCHESTER) LIMITED

Opinion

We have audited the financial statements of Harley (Winchester) Limited ("the company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of stock and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARLEY (WINCHESTER) LIMITED - continued

Report of the Directors

The directors are responsible for the report of the directors. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the report of the directors and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the report of the directors;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARLEY (WINCHESTER) LIMITED - continued

Auditors' responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Sarah Brown (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

11 July 2019

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2019

	Notes	31.3.19 £	31.3.18 £
TURNOVER		-	-
Administrative expenses		<u>(5,793)</u>	<u>(6,105)</u>
OPERATING LOSS	4	(5,793)	(6,105)
Interest payable and similar expenses	5	<u>(149,867)</u>	<u>(135,046)</u>
LOSS BEFORE TAXATION		(155,660)	(141,151)
Tax on loss	6	<u>26,878</u>	<u>26,931</u>
LOSS FOR THE FINANCIAL YEAR		(128,782)	(114,220)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(128,782)</u>	<u>(114,220)</u>

The notes form part of these financial statements

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)**BALANCE SHEET****31 March 2019**

	Notes	31.3.19 £	31.3.18 £
CURRENT ASSETS			
Stocks	7	9,577,003	9,577,003
Debtors	8	56,615	28,837
Cash at bank		<u>37,558</u>	<u>49,252</u>
		9,671,176	9,655,092
CREDITORS			
Amounts falling due within one year	9	<u>(5,059,328)</u>	<u>(4,914,462)</u>
NET CURRENT ASSETS		<u>4,611,848</u>	<u>4,740,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,611,848</u>	<u>4,740,630</u>
CAPITAL AND RESERVES			
Called up share capital	10	4,789,469	4,789,469
Retained earnings	11	<u>(177,621)</u>	<u>(48,839)</u>
TOTAL SHAREHOLDERS' FUNDS		<u>4,611,848</u>	<u>4,740,630</u>

The financial statements were approved by the Board of Directors on 10 June 2019 and were signed on its behalf by:



G S Wilkinson - Director

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	4,789,469	65,381	4,854,850
Changes in equity			
Total comprehensive loss	-	(114,220)	(114,220)
Balance at 31 March 2018	<u>4,789,469</u>	<u>(48,839)</u>	<u>4,740,630</u>
Changes in equity			
Total comprehensive loss	-	(128,782)	(128,782)
Balance at 31 March 2019	<u>4,789,469</u>	<u>(177,621)</u>	<u>4,611,848</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

1. STATUTORY INFORMATION

Harley (Winchester) Limited ("the company") acts as a property development company.

The company is a private company limited by shares and is incorporated and domiciled in England. The address both of its registered office and its principal place of business is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The financial statements are presented in the pound sterling and the Company's functional and presentation currency is the pound sterling.

Cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Stocks

Work in progress, which includes land held for development, is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. Cost includes the purchase of land and acquisition expenses. Work in progress is reduced to estimated selling price less costs to complete and selling expenses where circumstances indicate that recovery is unlikely.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Current or deferred tax assets and liabilities are not discounted.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2019

3. ACCOUNTING POLICIES - continued

Critical accounting judgements and estimation uncertainty

In accordance with the requirements of Financial Reporting Standard 102, the company has detailed below the critical accounting judgements made within these financial statements.

Carrying value of land and work in progress

Work in progress, which includes land held for development is valued at the lower of cost and estimated selling price less costs to complete and sell. In order to assess the appropriateness of the carrying value of work in progress in the financial statements, the group is required to determine forecast sales rates, expected sales prices and estimated costs to complete. Both the estimation of future sales prices and costs to complete include allowances for industry recognised inflation forecasts.

4. OPERATING LOSS

The operating loss is stated after charging:

	31.3.19	31.3.18
	£	£
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>

There were no non - audit services provided by the auditor to this company in either year.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.19	31.3.18
	£	£
Interest payable on loans from shareholders	<u>149,867</u>	<u>135,046</u>

6. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31.3.19	31.3.18
	£	£
Current tax:		
UK corporation tax	-	(21,478)
Prior year corporation tax	<u>(2,771)</u>	<u>1,906</u>
Total current tax	(2,771)	(19,572)
Deferred tax:		
Reversal/(recognition) of prior year timing differences	2,356	(1,620)
Recognition of current year timing differences	<u>(26,463)</u>	<u>(5,739)</u>
	<u>(24,107)</u>	<u>(7,359)</u>
Tax on loss	<u>(26,878)</u>	<u>(26,931)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2019**6. TAXATION - continued**

The corporation tax differs from the standard UK corporation tax rate applied to the loss on ordinary activities before taxation. The differences are:

	31.3.19	31.3.18
	£	£
Loss on ordinary activities before taxation at 19%	(29,576)	(26,818)
Change in tax rate	3,113	(399)
Prior year tax	<u>(415)</u>	<u>286</u>
	<u>(26,878)</u>	<u>(26,931)</u>

The company has tax losses of approximately £31,466 (2018: £7,359) using a rate of 17% which are available to carry forward and which are recognised as a deferred tax asset at 17% as it is considered that they are likely to be utilised against expected trading profit over the next couple of years.

The main rate of corporation tax is 19% and is expected to reduce from 19% to 17% effective 1 April 2020 as a result of the Finance Bill 2016. The reduction in the rate to 17% was substantively enacted on 6 September 2016 and is therefore applicable at the balance sheet date. Accordingly, the current year tax charge has been provided for at a rate of 19% and deferred tax assets and liabilities have been provided for at rates between 17% and 19%, depending on the expected date that the deferred tax assets or liabilities are expected to unwind.

7. STOCKS

	31.3.19	31.3.18
	£	£
Work in progress	<u>9,577,003</u>	<u>9,577,003</u>

8. DEBTORS

	31.3.19	31.3.18
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	24,249	21,478
VAT recoverable	<u>900</u>	<u>-</u>
	<u>25,149</u>	<u>21,478</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>31,466</u>	<u>7,359</u>
Aggregate amounts	<u>56,615</u>	<u>28,837</u>

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2019****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.19	31.3.18
	£	£
Amounts owed to related undertakings	4,735,033	4,735,033
VAT payable	-	1,500
Accruals and deferred income	<u>324,295</u>	<u>177,929</u>
	<u>5,059,328</u>	<u>4,914,462</u>

The amounts owed to related undertakings are as follows:

		31.3.19	31.3.18
		£	£
Gallagher Estates Limited	Shareholder loan	3,551,274	3,551,274
Himalia Limited	Shareholder loan	<u>1,183,759</u>	<u>1,183,759</u>
		<u>4,735,033</u>	<u>4,735,033</u>

Included in accruals at 31 March 2019, is a provision for interest payable on the shareholders loans of £323,046 (2018: £173,179) which has been calculated using a rate of 2.5% above the Bank of England base rate.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.19	31.3.18
Number:	Class:	Nominal value:	£	£
4,789,469	Ordinary	£1	<u>4,789,469</u>	<u>4,789,469</u>

11. RESERVES

	Retained earnings £
At 1 April 2018	(48,839)
Loss for the financial year	<u>(128,782)</u>
At 31 March 2019	<u>(177,621)</u>

12. CONTROLLING PARTY

At 31 March 2019, the company is operated as a joint venture. The joint venture parties are Gallagher Estates Limited and Himalia Limited.