

REGISTERED NUMBER: 06455448 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
HARLEY (WINCHESTER) LIMITED**

WEDNESDAY



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for the year ended 31 March 2018**

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HARLEY (WINCHESTER) LIMITED

COMPANY INFORMATION

for the year ended 31 March 2018

DIRECTORS:

R L Brake
S A Burnett
G S Wilkinson

SECRETARY:

S A Burnett

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
Birmingham
B4 6GH

**REPORT OF THE DIRECTORS
for the year ended 31 March 2018**

The directors present their report with the audited financial statements of the company for the year ended 31 March 2018.

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 2017 to the date of this report.

R L Brake
S A Burnett
G S Wilkinson

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 2018

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

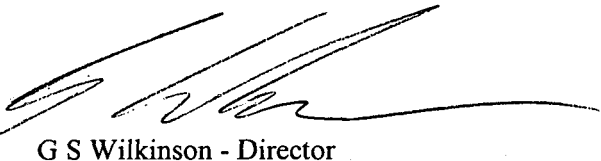
The directors who held office at the date of approval of its report of the directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP resigned as auditors during the period and KPMG LLP were appointed to fill the casual vacancy. Appropriate arrangements have been put in place for KPMG LLP 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', is written over a horizontal line.

G S Wilkinson - Director

19 June 2018

REPORT OF THE INDEPENDENT AUDITORS 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 2018 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 2018 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 period 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.

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

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.

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
Birmingham

25 June 2018

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 March 2018

	Notes	31.3.18 £	31.3.17 £
TURNOVER		-	350,000
Administrative expenses		<u>(6,105)</u>	<u>(84,225)</u>
OPERATING (LOSS)/PROFIT	4	(6,105)	265,775
Interest payable and similar expenses	5	<u>(135,046)</u>	<u>(38,133)</u>
(LOSS)/PROFIT BEFORE TAXATION		(141,151)	227,642
Tax on (loss)/profit	6	<u>26,931</u>	<u>(22,343)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(114,220)	205,299
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(114,220)</u>	<u>205,299</u>

The notes form part of these financial statements

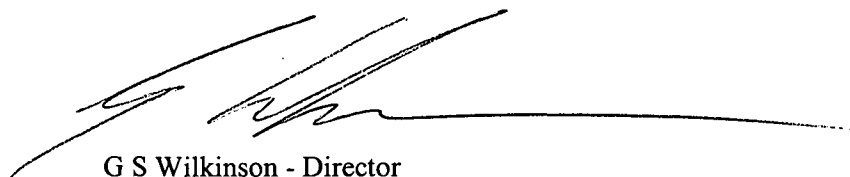
HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)

BALANCE SHEET

31 March 2018

	Notes	31.3.18 £	31.3.17 £
CURRENT ASSETS			
Stocks	7	9,577,003	9,577,003
Debtors	8	28,837	10,273
Cash at bank		<u>49,252</u>	<u>67,208</u>
		9,655,092	9,654,484
CREDITORS			
Amounts falling due within one year	9	<u>(4,914,462)</u>	<u>(4,799,634)</u>
NET CURRENT ASSETS		<u>4,740,630</u>	<u>4,854,850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,740,630</u>	<u>4,854,850</u>
CAPITAL AND RESERVES			
Called up share capital	10	4,789,469	4,789,469
Retained earnings	11	<u>(48,839)</u>	<u>65,381</u>
TOTAL SHAREHOLDERS' FUNDS		<u>4,740,630</u>	<u>4,854,850</u>

The financial statements were approved by the Board of Directors on 19 June 2018 and were signed on its behalf by:



G S Wilkinson - Director

The notes form part of these financial statements

HARLEY (WINCHESTER) LIMITED (REGISTERED NUMBER: 06455448)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	4,789,469	(139,918)	4,649,551
Changes in equity			
Total comprehensive income	-	205,299	205,299
Balance at 31 March 2017	<u>4,789,469</u>	<u>65,381</u>	<u>4,854,850</u>
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>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

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.

Turnover

Turnover represents the invoiced value of work done resulting from UK property development activities.

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 2018

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)/PROFIT

The operating loss (2017 - operating profit) is stated after charging:

	31.3.18	31.3.17
	£	£
Auditors' remuneration	2,000	2,000
Auditors' remuneration for non audit work	<u>-</u>	<u>1,500</u>

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

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.18	31.3.17
	£	£
Interest payable on loans from shareholders	<u>135,046</u>	<u>38,133</u>

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the (loss)/profit for the year was as follows:

	31.3.18	31.3.17
	£	£
Current tax:		
UK corporation tax	(21,478)	22,343
Prior year corporation tax	<u>1,906</u>	<u>-</u>
Total current tax	(19,572)	22,343
Deferred tax:		
Recognition of current year timing differences	(5,739)	-
Recognition of prior year timing differences	<u>(1,620)</u>	<u>-</u>
Total deferred tax	<u>(7,359)</u>	<u>-</u>
Tax on (loss)/profit	<u>(26,931)</u>	<u>22,343</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2018

6. TAXATION - continued

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

	31.3.18	31.3.17
	£	£
(Loss)/profit on ordinary activities before taxation at 19% (2017: 20%)	(26,818)	45,528
Expenses not deductible for tax	-	4,065
Change in tax rate	(399)	-
Utilisation of tax losses	-	(27,250)
Prior year tax	286	-
	<u>(26,931)</u>	<u>22,343</u>

The Finance (No 2) Act 2015, reduced the main rate of corporation tax to 19% from 1 April 2017 and the Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. Both of these rate reductions had been substantively enacted 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

	31.3.18	31.3.17
	£	£
Work in progress	<u>9,577,003</u>	<u>9,577,003</u>

8. DEBTORS

	31.3.18	31.3.17
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	21,478	-
Prepayments and accrued income	-	10,273
	<u>21,478</u>	<u>10,273</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>7,359</u>	-
Aggregate amounts	<u>28,837</u>	<u>10,273</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2018

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.18	31.3.17
	£	£
Amounts owed to related undertakings	4,735,033	4,735,033
Corporation tax payable	-	22,343
VAT payable	1,500	-
Accruals and deferred income	177,929	42,258
	<u>4,914,462</u>	<u>4,799,634</u>

The amounts owed to related undertakings are as follows:

		31.3.18	31.3.17
		£	£
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 2018, is a provision for interest payable on the shareholders loans of £173,179 (2017: £38,133) 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:			31.3.18	31.3.17
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 2017	65,381
Loss for the financial year	<u>(114,220)</u>
At 31 March 2018	<u>(48,839)</u>

12. CONTROLLING PARTY

At 31 March 2018, the company is operated as a joint venture. The joint venture parties are Gallagher Estates Limited and Himalia Limited.