

Courtfield Gardens Limited

Report and Financial Statements

Year Ended

31 July 2016

Company Number 08563364

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Courtfield Gardens Limited

Company Information

Directors	G M Inglis J A Gatley
Registered number	08563364
Registered office	3rd Floor East Leconfield House Curzon Street London W1J 5JA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Courtfield Gardens Limited

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Courtfield Gardens Limited

Directors' Report for the Year Ended 31 July 2016

The directors present their report and the financial statements for the year ended 31 July 2016.

Directors' responsibilities

The directors are responsible for preparing the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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.

Principal activity

The principal activity of the Company is that of property development. Following practical completion of the development in May 2015, the Company started the sale of its properties.

Directors

The directors who served during the year were:

G M Inglis
J A Gatley

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Courtfield Gardens Limited

Directors' Report (continued) for the Year Ended 31 July 2016

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


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G M Inglis
Director

Date: 7 March 2017

Courtfield Gardens Limited

Independent Auditor's Report to the Members of Courtfield Gardens Limited

We have audited the financial statements of Courtfield Gardens Limited for the year ended 31 July 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Courtfield Gardens Limited

Independent Auditor's Report to the Members of Courtfield Gardens 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Geraint Jones (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 7 March 2017

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

Courtfield Gardens Limited

Statement of Comprehensive Income for the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	5,325,000	2,799,000
Cost of sales		(5,436,176)	(2,472,344)
Gross (loss)/profit		(111,176)	326,656
Administrative expenses		(2,389)	(786)
Operating (loss)/profit		(113,565)	325,870
Interest receivable and similar income		-	523
Interest payable and similar charges	7	(336,073)	(242,727)
(Loss)/profit on ordinary activities before tax		(449,638)	83,666
Tax on (loss)/profit on ordinary activities	8	16,733	(16,733)
(Loss)/profit for the financial year		(432,905)	66,933
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(432,905)	66,933

All amounts relate to continuing operations.

The notes on pages 8 to 15 form part of these financial statements.

Courtfield Gardens Limited

Registered number: 08563364

Statement of Financial Position as at 31 July 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	9		1		1
Current assets					
Stocks	10	3,421,956		8,576,144	
Debtors	11	59,066		1,323,408	
Cash at bank and in hand		2,754		235,289	
		<u>3,483,776</u>		<u>10,134,841</u>	
Creditors: amounts falling due within one year	12	(3,849,649)		(10,067,809)	
Net current (liabilities)/assets			<u>(365,873)</u>		<u>67,032</u>
Total assets less current liabilities			<u>(365,872)</u>		<u>67,033</u>
Net (liabilities)/assets			<u>(365,872)</u>		<u>67,033</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		(365,972)		66,933
Shareholders' (deficit)/funds			<u>(365,872)</u>		<u>67,033</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


G M Inglis
Director

Date:

7 March 2017

The notes on pages 8 to 15 form part of these financial statements.

Courtfield Gardens Limited

Statement of Changes in Equity for the Year Ended 31 July 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2015	100	66,933	67,033
Comprehensive loss for the year			
Loss and total comprehensive loss for the year	-	(432,905)	(432,905)
At 31 July 2016	100	(365,972)	(365,872)

Statement of Changes in Equity for the Year Ended 31 July 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2014	100	-	100
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	66,933	66,933
At 31 July 2015	100	66,933	67,033

The notes on pages 8 to 15 form part of these financial statements.

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

1. General information

Courtfield Gardens Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the Company's operations and principal activity are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

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 3).

The Company itself is a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of McLaren Property Holdings LLP as at 31 July 2016 and these financial statements may be obtained from Leconfield House, 3rd Floor East, Curzon Street, London, W1J 5JA.

2.3 Going concern

The directors monitor financial performance of the Company on an ongoing basis. The immediate parent undertaking, McLaren Property Holdings LLP have indicated that they will provide support such that the Company can meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. The financial statements have therefore been prepared on the going concern basis.

2.4 Turnover

Turnover comprises revenue recognised by the Company in respect of sales of developed properties during the year.

Sales of long leasehold and freehold assets are recognised where the sale becomes unconditional which is normally on completion.

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

2. Accounting policies (continued)

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks of property and development expenditure

Stocks of property and development expenditure is included at cost. Where contracts have been exchanged on the sale of a property it is included at the lower of cost and net realisable value. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads including interest specifically attributable to the project whilst under development.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Expenses

Expenses are included on an accruals basis.

2.11 Interest income

Interest income is recognised in the income statement using the effective interest method.

2.12 Finance costs

Finance costs which have been incurred as a direct consequence of the construction of the Courtfield Gardens development have been capitalised as part of development costs of the asset under construction. Finance costs incurred after practical completion are not capitalised and are charged to the income statement.

All other finance costs are recognised in the income statement in the year in which they are incurred.

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

2. Accounting policies (continued)

2.13 Taxation

Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the opinion of the directors, there are no key judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial year.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Valuation of development property held as stock

Determining whether the value of the Company's development property should be impaired requires estimations of the property's net realisable value. The net realisable value calculation requires the entity to estimate the future cash flows expected to arise from the development property, specifically the estimated selling price and anticipated selling costs. In undertaking these estimates, the directors make reference to market evidence of transaction prices for similar properties. The carrying amount of the development property stock, representing the last flat for sale, at the reporting date was £3,421,956 (2015 - £8,576,144) with no impairment loss recognised in 2016 or 2015.

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

4. Turnover

The whole of the turnover is attributable to the sale of developed property assets and arose within the United Kingdom.

5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	1,664	-
Fees payable to the Company's auditor and its associates in respect of all other non-audit services	673	-
	<u>2,337</u>	<u>-</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

7. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	39,642	155,362
On loans from group undertakings	296,431	87,365
	<u>336,073</u>	<u>242,727</u>

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

8. Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on (loss)/profit for the year	-	16,733
Adjustments in respect of previous periods	(16,733)	-
Taxation on (loss)/profit on ordinary activities	(16,733)	16,733

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - the same as) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(449,638)	83,666
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%)	(89,928)	16,733
Effects of:		
Utilisation of tax losses	89,928	-
Adjustments to tax charge in respect of prior periods	(16,733)	-
Total tax (credit)/charge for the year	(16,733)	16,733

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

9. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 August 2015	1
At 31 July 2016	1
Net book value	
At 31 July 2016	1
At 31 July 2015	1

Subsidiary undertakings

The following was a subsidiary undertaking of the Company during the year:

Name	Country of incorporation	Class of shares	Holding	Principal activity
30 Courtfield Gardens Management Company	United Kingdom	Ordinary	100 %	Property management company

10. Stocks

	2016 £	2015 £
Stocks - completed property	3,421,956	8,576,144

The total finance costs capitalised during the year amounted to £NIL (2015 - £631,344).

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

11. Debtors

	2016 £	2015 £
Trade debtors	449	12,000
Other debtors	-	1,308,016
Corporation tax	16,733	-
Prepayments and accrued income	41,884	3,392
	<u>59,066</u>	<u>1,323,408</u>

All debtors are due within one year.

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	-	5,075,327
Trade creditors	1,491	225,466
Amounts owed to group undertakings	3,788,821	4,610,623
Corporation tax	-	16,733
Accruals and deferred income	59,337	139,660
	<u>3,849,649</u>	<u>10,067,809</u>

The bank loan in the prior year was secured by a first mortgage and charge over the Company and its assets, and accrued interest at a variable rate per annum. The loan was repaid in full on 16 October 2015 and the property charge released.

Offset against the loan at 31 July 2015 was the arrangement fee of £32,350 which was being amortised over the life of the loan. At 31 July 2015 the balance remaining on the arrangement fee was £23,000, which was released in full on the date the loan was settled.

The amounts owed to group undertakings are unsecured and repayable on demand.

13. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Courtfield Gardens Limited

Notes to the Financial Statements for the Year Ended 31 July 2016

14. Reserves

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

16. Post balance sheet events

On the 15 November 2016, the Company completed the sale of the last remaining property for a gross consideration of £3,576,000. From the proceeds of the sale, the Company partially repaid its amounts due to group undertakings.

Following the sale, the Company also disposed of its shareholding in 30 Courtfield Gardens Management Company Ltd at cost.

17. Controlling party

The Company's immediate and ultimate parent undertaking is McLaren Property Holdings LLP, a limited liability partnership incorporated in the United Kingdom, which will be preparing consolidated financial statements for the year ended 31 July 2016 which will be publicly available. McLaren Property Holdings LLP acquired the entire share capital of the Company from McLaren Property Holdings BV on 5 April 2016. Until this point, the ultimate parent undertaking was McLaren SA, a company registered in Luxembourg which will prepare consolidated financial statements for the year ended 31 July 2016 which will be publicly available.

The ultimate controlling parties are K R Taylor and J A Gatley.

18. First time adoption of FRS 102

The company has adopted FRS 102 for the year ended 31 July 2016 and has restated the comparative prior year amounts which were prepared under old UK GAAP.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.