

REGISTERED NUMBER: 10367868 (England and Wales)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018
FOR
MARLBOROUGH PROPERTY (WHETSTONE) LIMITED**

KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

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FOR THE YEAR ENDED 30 JUNE 2018**

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MARLBOROUGH PROPERTY (WHETSTONE) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2018**

DIRECTORS:

Mr W L Adderley
Mr D L Wright

REGISTERED OFFICE:

Two Marlborough Court
Watermead Business Park
Syston
Leicestershire
LE7 1AD

REGISTERED NUMBER:

10367868 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their report with the financial statements of the company for the year ended 30 June 2018.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividends will be distributed for the year ended 30 June 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2017 to the date of this report.

Mr W L Adderley
Mr D L Wright

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

ON BEHALF OF THE BOARD:

Mr D L Wright - Director

10 December 2018

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY (WHETSTONE) LIMITED

Opinion

We have audited the financial statements of Marlborough Property (Whetstone) Limited ("the company") for the year ended 30 June 2018, which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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.

Directors' report

The directors are responsible for the directors' report. 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 directors' report 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 directors' report;
- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARLBOROUGH PROPERTY (WHETSTONE) LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 3, 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.

Auditor's 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.

Ian Borley (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Statutory Auditor, Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

12 December 2018

MARLBOROUGH PROPERTY (WHETSTONE) LIMITED (REGISTERED NUMBER: 10367868)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2018**

		Year Ended 30/6/18 £	Period 9/9/16 to 30/6/17 £
	Notes		
TURNOVER		637,148	466,589
Administrative expenses		<u>63,358</u>	<u>65,136</u>
		573,790	401,453
Gain on revaluation of investment property		<u>-</u>	<u>1,069,393</u>
OPERATING PROFIT		573,790	1,470,846
Interest payable and similar expenses	4	<u>200,910</u>	<u>91,645</u>
PROFIT BEFORE TAXATION		372,880	1,379,201
Tax on profit	5	<u>15,508</u>	<u>172,565</u>
PROFIT FOR THE FINANCIAL YEAR		<u>357,372</u>	<u>1,206,636</u>

The notes form part of these financial statements

MARLBOROUGH PROPERTY (WHETSTONE) LIMITED (REGISTERED NUMBER: 10367868)

BALANCE SHEET
30 JUNE 2018

	Notes	30/6/18 £	30/6/17 £
FIXED ASSETS			
Investment property	7	15,690,000	15,690,000
CURRENT ASSETS			
Cash at bank		125,679	200,428
CREDITORS			
Amounts falling due within one year	8	<u>(14,185,054)</u>	<u>(14,567,550)</u>
NET CURRENT LIABILITIES		<u>(14,059,375)</u>	<u>(14,367,122)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,630,625	1,322,878
PROVISIONS FOR LIABILITIES	9	<u>(66,616)</u>	<u>(116,241)</u>
NET ASSETS		<u>1,564,009</u>	<u>1,206,637</u>
CAPITAL AND RESERVES			
Called up share capital		1	1
Retained earnings		<u>1,564,008</u>	<u>1,206,636</u>
		<u>1,564,009</u>	<u>1,206,637</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 10 December 2018 and were signed on its behalf by:

Mr D L Wright - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	1	-	1
Total comprehensive income	-	1,206,636	1,206,636
Balance at 30 June 2017	<u>1</u>	<u>1,206,636</u>	<u>1,206,637</u>
Changes in equity			
Total comprehensive income	-	357,372	357,372
Balance at 30 June 2018	<u>1</u>	<u>1,564,008</u>	<u>1,564,009</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. STATUTORY INFORMATION

Marlborough Property (Whetstone) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements were prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with the Companies Act 2006 (as applicable to companies subject to the small companies' regime). The changes to FRS 102 issued in September 2015 effective for periods beginning on or after 1 January 2016 have been adopted and therefore, as a small company the financial statements have been prepared under section 1A the small entities regime of FRS 102.

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £14,059,375 (2017: £14,367,122) including £13,930,000 owed to Marlborough Property Co Ltd. The directors are of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors confirm that the loans due to the parent company will not become repayable until the investment property is sold or other funding becomes available to the company. On this basis they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The parent company has confirmed its intention of not calling back the loan and providing other support as required.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirement of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosure paragraph 33.7;
- key management personnel compensation;

Significant judgements and estimates

The Directors are continually evaluating estimates and judgements based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Directors consider that the only critical accounting judgements in applying the Company's accounting policies is the valuation of the investment property.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Revaluation gains and losses are recognised in the income statement.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2017 - NIL).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 30/6/18 £	Period 9/9/16 to 30/6/17 £
Bank loan interest	189,608	86,465
Refinancing costs	<u>11,302</u>	<u>5,180</u>
	<u>200,910</u>	<u>91,645</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 30/6/18 £	Period 9/9/16 to 30/6/17 £
Current tax:		
UK corporation tax	65,133	56,324
Deferred tax	<u>(49,625)</u>	<u>116,241</u>
Tax on profit	<u>15,508</u>	<u>172,565</u>

UK corporation tax has been charged at 19% (2017 - 19.69%).

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2016. The additional rate reduction in the UK tax rate to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2017 and substantively enacted on 26 September 2016. This will reduce the company's future tax charge accordingly.

6. AUDITORS' REMUNERATION

Auditor's remuneration has been recognised by the company's parent and sole shareholder Marlborough Property Co Limited. The costs recognised were for Marlborough Property Co Limited and its subsidiaries at the time.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 July 2017	
and 30 June 2018	15,690,000
NET BOOK VALUE	
At 30 June 2018	15,690,000
At 30 June 2017	15,690,000

Fair value at 30 June 2018 is represented by:

	£
Cost	14,620,607
Revaluation in 2017	1,069,393
	15,690,000

If the investment property had not been revalued it would have been included at the following historical cost:

	30/06/18 £	30/06/17 £
Cost		

The investment property was valued on a freehold market value basis on 2 December 2016 by an independent firm of chartered surveyors.

The Directors have reviewed the fair value of the property as at 30 June 2018, and consider that the valuation referred to above reflects the fair value of the property as at 30 June 2018 for the purpose of these accounts.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/18 £	30/6/17 £
Amounts owed to group undertakings	13,930,000	14,325,000
Corporation tax	65,196	56,324
VAT	32,008	31,396
Accruals and deferred income	157,850	154,830
	14,185,054	14,567,550

The company has loans from its parent company, Marlborough Property Co Limited which are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2018**

9. PROVISIONS FOR LIABILITIES

	30/6/18 £	30/6/17 £
Deferred tax		
Accelerated capital allowances	9,094	4,038
Other timing differences	<u>57,522</u>	<u>112,203</u>
	<u>66,616</u>	<u>116,241</u>
		Deferred tax £
Balance at 1 July 2017		116,241
Credit to Income Statement during year		<u>(49,625)</u>
Balance at 30 June 2018		<u>66,616</u>

10. RELATED PARTY DISCLOSURES

The immediate parent company is Marlborough Property Co Ltd, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

The ultimate parent undertaking is WA Capital Ltd, a company incorporated in England and Wales with registered address of Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

The smallest and largest group in which the results of the Company are consolidated, is that headed by Marlborough Property Co Ltd. The consolidated financial statements of Marlborough Property Co Ltd are available from its registered office, Two Marlborough Court, Watermead Business Park, Syston, Leicestershire LE7 1AD.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.