VULCAN WHARF LIMITED
REPORT AND FINANCIAL STATEMENTS
PERIOD ENDED 29 DECEMBER 2017
REGISTERED NUMBER: 10834185

DIRECTORS	S Brown S Hickey A Lawrence R H Mortimer
INDEPENDENT AUDITORS	Ernst & Young LLP 1 More London Place London SE1 2AF
BANKERS	The Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
REGISTERED OFFICE	One York Road Uxbridge Middlesex UB8 1RN
COMPANY REGISTRATION NUMBER	10834185

STRATEGIC REPORT

The directors present their strategic report for Vulcan Wharf Limited (the "Company") for the period from the date of incorporation of 23 June 2017 to 29 December 2017.

BUSINESS REVIEW

The Company was incorporated in June 2017 to acquire a site in Stratford, obtain and implement a planning permission for a residential and commercial development on that site. The Company was to be a joint venture between London Square and Mitheridge Capital Management.

During the year the Company incurred administrative and finance costs, resulting in a loss after deferred tax of £8,102.

In October 2018 the Company's shareholders changed, with Mitheridge Capital Management replaced by Peabody. The Company's business, assets and liabilities, with the exception of its shareholder borrowings, were sold to a new joint venture entity, Vulcan Wharf Holdings LLP, for £9,406,214, generating a profit of £2. The proceeds from the sale were use to fully repay the shareholder borrowings.

FINANCIAL RISK MANAGEMENT

The key financial risks and uncertainties affecting the Company are considered to relate to cash flow and liquidity and capital risk management, further assessment of these risks are set out in Note 10.

PRINCIPAL RISKS AND UNCERTAINTIES

As the Company's business has been sold since the period end the directors do not consider that the Company is currently exposed to any substantial risks or uncertainties.

On behalf of the board

S Brown
Director
16 November 2018

DIRECTORS' REPORT

The directors present their report and audited financial statements for the period ended 29 December 2017.

DIVIDENDS

No dividends were recommended, approved or paid during the period.

GOING CONCERN

As detailed in the Strategic Report, since the period end the Company has sold its assets and settled all liabilities. Based on this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and so continue to prepare these financial statements on the going concern basis.

DIRECTORS

The directors who served since incorporation and up to the date of signing the financial statements are:

S Brown (appointed 12 July 2017)
S Hickey (appointed 16 October 2018)
A Lawrence (appointed 12 July 2017)
R H Mortimer (appointed 16 October 2018)
B A Betsy (appointed 12 July 2017, resigned 24 May 2018)
A J Lord (appointed 23 June 2017, resigned 15 June 2018)
J J Tracey (appointed 23 June 2017, resigned 15 June 2018)
R W G Yerburgh (appointed 23 June 2017, resigned 15 June 2018)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company's shareholders, who employ the directors, carry appropriate insurance cover in respect of possible legal action being taken against the directors. Such qualifying third party indemnity provision was in place throughout the period and remains in force as at the date of this report.

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the 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;
- state whether applicable IFRSs as adopted by the European Union 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 group and 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 and, as regards the group financial statements, Article 4 of the IAS Regulation. The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

S Brown
Director
16 November 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VULCAN WHARF LIMITED

Opinion

We have audited the financial statements of Vulcan Wharf Limited for the period ended 29 December 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 29 December 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VULCAN WHARF LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VULCAN WHARF LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP.

Peter McIver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
November 2018

INCOME STATEMENT FOR THE PERIOD ENDED 29 DECEMBER 2017

	Note	2017
		£
Administrative expenses		(10,000)
Operating loss		(10,000)
Finance costs	4	(3)
Loss before taxation		(10,003)
Tax on loss	5	1,901
Loss for the financial period		(8,102)

All amounts relate to continuing operations.

The Company had no other comprehensive income other than the loss for the period reported above.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 DECEMBER 2017

	Ordinary share capital	Retained earnings	Total equity
	£	£	£
Shares issued	2	-	2
Loss for the financial period	-	(8,102)	(8,102)
At 29 December 2017	2	(8,102)	(8,100)

VULCAN WHARF LIMITED
REGISTERED NUMBER: 10834185
BALANCE SHEET AS AT 29 DECEMBER 2017

	Note	2017 £
ASSETS		
Non-current assets		
Deferred tax asset	5	1,901
Current assets		
Inventories	6	6,769,350
Trade and other receivables	7	783,414
Cash and cash equivalents		(3)
Total current assets		7,552,761
Total assets		7,554,662
LIABILITIES		
Current liabilities		
Trade and other payables	8	(919,452)
Borrowings	9	(6,643,310)
Total liabilities		(7,562,762)
Net current liabilities		(10,001)
Net liabilities		(8,100)
Capital and reserves		
Ordinary share capital	11	2
Retained earnings		(8,102)
Total equity		(8,100)

The financial statements on pages 8 to 18 were approved and authorised for issue by the board of directors on 16 November 2018.

S Brown
Director
16 November 2018

CASH FLOW STATEMENT FOR THE PERIOD ENDED 29 DECEMBER 2017

	2017
	£
Cash flows from operating activities	
Loss before taxation	(10,003)
Adjustments for:	
Finance costs	3
Decrease in trade and other receivables	(783,414)
Decrease in inventories	(6,769,350)
Decrease in trade and other payables	919,452
Net cash used by operating activities	(6,643,312)
Cash flows from financing activities	
Proceeds from issue of ordinary shares	2
Proceeds from shareholder loans	6,643,310
Finance costs paid	(3)
Net cash generated by financing activities	6,643,309
Net decrease in cash and cash equivalents	(3)
Cash and cash equivalents at start of period	-
Cash and cash equivalents at end of period	(3)

1 ACCOUNTING POLICIES

General information

The Company is a private company limited by shares incorporated and domiciled in England and Wales. The Company's financial statements are presented in pounds sterling.

Basis of preparation

These financial statements were prepared on the going concern basis, under the historical cost convention, in accordance with EU-adopted International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), interpretations issued by the IFRS Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

As detailed in the Strategic Report, since the period end the Company has sold its assets and settled all liabilities. Based on this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and so continue to prepare these financial statements on the going concern basis.

New and amended standards and interpretations

The Company has not adopted any accounting standards for the first time in the year that have had a material impact on the Company's performance or position, nor has the Company adopted any standards or interpretations early in either the current or the preceding year. At the date of approving these financial statements the following new and revised interpretations and standards were in existence but were not yet effective.

- IFRS 15 *Revenue from contracts with customers* (effective 1 January 2018)
- IFRS 9 *Financial Instruments* (effective 1 January 2018)

The directors do not anticipate that the adoption of these standards and interpretations in future periods will have a material effect on the financial position or performance of the Company.

Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis.

The following judgement has the most significant impact on the amounts recognised in the financial statements:

Impairment of inventories

The directors have considered whether the Company's inventories are impaired at the balance sheet and taking into consideration that these have been sold since the balance sheet date for greater than the carrying value were comfortable that the balance was not impaired at the period end.

1 ACCOUNTING POLICIES (CONTINUED)

Significant accounting policies

The principal accounting policies adopted, which have been applied consistently throughout the period, are set out below.

Inventories

Owned and contracted land and its related purchase costs and development expenses are valued at the lower of cost and net realisable value. Costs include direct materials, labour costs, site overheads, associated professional charges and other attributable overheads incurred in bringing a site to its stage of completion at the period end, including an appropriate proportion of indirect expenses. Net realisable value represents the estimated selling prices less all estimated costs of completion.

Cash and cash equivalents

Cash and cash equivalents relate to all bank and similar balances which are readily available and liquid for use on demand. All proceeds included in cash and cash equivalents are under the absolute control of the Company.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit and loss account. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

1 ACCOUNTING POLICIES (CONTINUED)

Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

2 AUDITORS' REMUNERATION

The fee payable to the Company's auditors for the audit of the financial statements of £10,000 is included within administrative expenses.

3 DIRECTORS' REMUNERATION

The directors did not receive any remuneration in respect of their services to the Company.

4 FINANCE COSTS

	2017
	£
Other finance costs	3
	3

5 TAX ON LOSS

	2017
	£
Current taxation:	
UK Corporation Tax	-
Total current tax	-
Deferred taxation:	
Origination and reversal of temporary differences	(1,901)
Total deferred tax	(1,901)
Tax on loss	(1,901)

The tax assessed for the period is the same as the rate of corporation tax in the UK of 19% as detailed below:

Loss before taxation	(10,003)
Tax at the UK standard rate of tax of 19% (2017: 20%)	(1,901)

Corporation tax rate changes
Legislation has been enacted reducing the main UK corporation tax rate from 1 April 2020 to 17%.

Deferred tax
The Company has recognised a deferred tax asset and credit in respect of losses carried forward which will reverse in the next financial period against the reimbursement of costs arising from the sale of business to Vulcan Wharf Holdings LLP, see Note 12 for further details.

6 INVENTORIES

	2017
	£
Land	5,943,002
Work in progress	826,348
	6,769,350

7 TRADE AND OTHER RECEIVABLES

	2017
	£
VAT receivable	783,414
	783,414

The Directors consider the carrying amounts of trade and other receivables to approximate to their fair value.

8 TRADE AND OTHER PAYABLES

	2017
	£
Trade payables	476,701
Accruals and deferred income	442,751
	919,452

Trade payables represents trade purchases that are non-interest bearing and normally settled on 30-day terms.

The Directors consider the carrying amounts of trade payables to approximate to their fair value.

9 BORROWINGS

	2017
	£
Shareholder loans made by:	
Vulcan MCM Limited	2,633,847
Broadwick Estates Limited	2,629,463
London Square Limited	1,380,000
	6,643,310

The loans are unsecured, non-interest bearing and were all repaid in October 2018.

Vulcan MCM Limited was the 50% owner of the Company until June 2018, at which time Broadwick Estates Limited purchased its loans and shares. London Square Limited is a parent company of Broadwick Estates Limited.

10 FINANCIAL RISK MANAGEMENT

The key financial risks and uncertainties affecting the Company are considered to relate to the following, as set out below:

Cash flow and liquidity – Cash flow forecasts are reviewed by management on a regular basis enabling them to assess the level of shareholder funding needed in order to meet liabilities as they become due.

Capital risk management - The Company's primary objective in managing capital is to ensure the Company's continued ability to meet its liabilities as they fall due and also maintaining an appropriate balance of equity.

Credit risk - The Company's exposure to credit risk is limited to the recovery of VAT from HMRC, which the Directors consider to be low risk and has been recovered subsequent to the period end.

Interest rate risk - The Company is not exposed to interest rate risk as it is funded from equity and non-interest bearing loans from shareholders.

Maturity analysis

The maturities of estimated cash flows of the financial assets and liabilities of the Company are all expected to be less than one year from the year end.

11 ORDINARY SHARE CAPITAL

	2017
	£
Authorised, allotted, called up and fully paid:	
100 A ordinary shares of 1p each	1
100 B ordinary shares of 1p each	1
	2

12 POST BALANCE SHEET EVENTS

Since the period end, the Company received further shareholder borrowings of £2,762,900 increasing the total shareholder borrowings to £9,406,210. These funds were used to fund the Company's development.

In October 2018 the Company's shareholders changed, with Mitheridge Capital Management replaced by Peabody. The Company's business, assets and liabilities, with the exception of its shareholder borrowings, were sold to a new joint venture entity, Vulcan Wharf Holdings LLP, for £9,406,214, generating a profit of £2. The proceeds from the sale were use to fully repay the shareholder borrowings.

13 PARENT AND CONTROLLING PARTY

The Company has no single ultimate controlling party. The Company is jointly owned and controlled by Family Mosaic Home Ownership Limited, an industrial and provident society registered in England and Broadwick Estates Limited, a company incorporated in England and Wales.