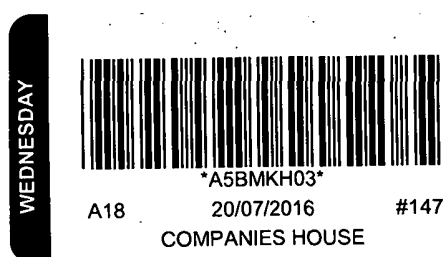


**FOLKESTONE HARBOUR HOLDINGS LIMITED**

**DIRECTOR'S REPORT AND ACCOUNTS**

**31 DECEMBER 2015**

**Company Registration Number: 5124490**



## **FOLKESTONE HARBOUR HOLDINGS LIMITED**

### **Director's report**

Director: Sir Roger De Haan  
Secretary: Richard Fraser  
Registered Office: Strand House, Pilgrims Way, Monks Horton, Ashford, Kent TN25 6DR  
Company number: 5124490

The director submits his report together with the audited accounts for the year ended 31 December 2015.

### **Principal activities and review of business**

The Company acts as a holding company to companies which own the land and harbour situated at Folkestone seafront.

### **Results and dividends**

The profit for the year amounted to £10,611,334 (2014 loss : £1,052,735) which has been transferred to reserves. The large surplus arises from the part release of impairment provisions made in prior years.

### **Director**

R M De Haan was the sole director serving throughout the year. He owns the whole of the issued share capital of the company.

### **Disclosure of information to auditor**

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

KPMG LLP has expressed their willingness to continue in office as auditor and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

### **Small Company Exemption**

The above report has been prepared in accordance with the special provisions of section 415A of part 15 of the Companies Act 2006 relating to small companies.

By order of the board



R J Fraser  
Secretary

### **Registered Office**

Strand House  
Pilgrims Way  
Monks Horton  
Ashford  
Kent  
TN25 6DR

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR HOLDINGS LIMITED**

We have audited the financial statements of Folkestone Harbour Holdings Limited for the year ended 31 December 2015 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 director and auditor**

As explained more fully in the Director's Responsibilities 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. 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 Auditing Practices Board'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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE  
HARBOUR HOLDINGS LIMITED (continued)**

**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Henry Todd (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square London, E14 5GL

Date: 12/07/16

**FOLKESTONE HARBOUR HOLDINGS LIMITED****Profit and loss account for the year ended 31 December 2015**

	Note	2015 £	2014 £
Administrative expenses		(24,233)	(23,584)
Interest receivable	2	72	244
Release of impairment/(impairment) of investment	5	10,635,495	(1,029,395)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	10,611,334	(1,052,735)
Taxation	4	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	11	10,611,334	(1,052,735)

Continuing operations

All activities are continuing.

Other comprehensive income

The Company has no other comprehensive income other than the amounts shown above for the two years.

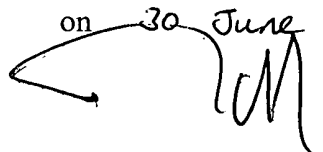
The notes on pages 7 to 12 form part of these financial statements.

**FOLKESTONE HARBOUR HOLDINGS LIMITED**  
**Balance sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Investments	6	4,939,883	10
<b>Current assets</b>			
Cash at bank and in hand		14,950	301,285
Debtors	7	35,704	22,264
Amounts due from subsidiary undertakings	13	27,721,080	19,730,458
		<u>27,771,734</u>	<u>20,054,007</u>
<b>Creditors</b>			
- amounts falling due within one year	8	<u>(44,544,275)</u>	<u>(29,938)</u>
<b>Net current (liabilities)/assets</b>		(16,772,541)	20,024,069
<b>Creditors</b>			
- amounts falling due after more than one year	9	-	(42,468,071)
<b>Net liabilities</b>		<u>(11,832,658)</u>	<u>(22,443,992)</u>
<b>Capital and reserves</b>			
Called-up share capital	10	2,800,002	2,800,002
Profit and loss account	11	(14,632,660)	(25,243,994)
<b>Shareholder's deficit</b>	12	<u>(11,832,658)</u>	<u>(22,443,992)</u>

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

These financial statements were approved by the Director  
on 30 June 2016.



RM De Haan  
Director

The notes on pages 7 to 12 form part of these financial statements.

# **FOLKESTONE HARBOUR HOLDINGS LIMITED**

## **Notes to the financial statements**

### **1 Accounting policies**

#### **a) Accounting convention**

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 and adopted for the first time in the current period. The presentation currency of these financial statements is sterling. These accounts have been prepared under the historical cost convention.

In these financial statements, the Company is considered to be a small entity (for the purposes of this FRS) and has applied the exemptions available under Section A of FRS 102 in respect of the preparation of a Cash Flow Statement and related notes and a Statement of Changes in Equity.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. As such, no equity reconciliations between UK GAAP and FRS 102 at the transition and comparative dates have been presented.

The Company considered the effect of transitional arrangements of FRS 102 on the interest free loans as disclosed in notes 8 and 9. Under FRS 102 borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method, less any impairment losses. As stated in note 8, with effect from 1 January 2015 the loans were made repayable on demand and are therefore held at par. The Company has not restated the 31 December 2014 position to impute a market rate of interest on the loans prior to the variation of the loan agreements. The Company considered that such an adjustment would not be beneficial to the users of these financial statements because the adjustment would be recognised and immediately released in the two periods being presented in these financial statements. The carried forward profit and loss account reserve would be unchanged as currently presented at 31 December 2015.

A key source of estimation uncertainty within these financial statements surrounds the recoverability of the loan balances due from group undertakings as stated in note 13. The director has reviewed the recoverability of these loans with regard to the net asset position of each of the subsidiaries. This review has given rise to a release of the impairment charge totalling £5.70million in the year (2014 charge: £1.03million). Should there be a further significant movement in UK real estate pricing, which impacts the financial position of the subsidiaries, then a further impairment or impairment release of the loan balances may be necessary. The director has also reviewed the carrying value of the company's investment in its subsidiary undertakings with regards to the financial position of the subsidiaries. This review resulted in an impairment release of £4.94million (2014: £nil).

#### **b) Investments**

Investments are held at cost less any provision for impairment.



**FOLKESTONE HARBOUR HOLDINGS LIMITED**  
**Notes to the financial statements continued**

**c) Going concern**

The financial statements have been prepared on the going concern basis which the director believes to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by its director. The director has indicated that for at least 12 months from the date of approval of these financial statements he does not intend to seek repayment of the amounts currently made available. The director considers that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

<b>2</b>	<b>Interest receivable</b>	<b>2015</b>	<b>2014</b>
		£	£
	Bank deposit interest	72	244
		<u>72</u>	<u>244</u>

<b>3</b>	<b>Profit/(Loss) on ordinary activities before taxation</b>	<b>2015</b>	<b>2014</b>
		£	£
	Is stated after charging:-		
	Audit fees	<u>3,965</u>	<u>3,965</u>

The auditor also received £15,100 for tax services (2014: £17,570).

The director received no remuneration for his services to the company either in the current or prior year.

<b>4</b>	<b>Tax on profit/(loss) on ordinary activities</b>	<b>2015</b>	<b>2014</b>
		£	£
	Current tax	-	-
	Profit/(loss) on ordinary activities before taxation	10,611,334	(1,052,735)
	Reconciliation of Current Tax charge:		
	Taxation at 20.25% (2014: 21.49%)	2,148,795	(226,233)
	Non-deductible (income)/expense	(2,153,687)	221,217
	Unrelieved losses	4,892	5,016
	Group relief	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
	Total non-utilised tax losses		
	At 1 January	102,870	79,530
	At 31 December	<u>127,031</u>	<u>102,870</u>

**5 Impairment Provision**

As outlined in note 1 there has been a release of the impairment provision on the amount due from group undertakings provisions of £5,695,622 (2014 charge : £1,029,395). Also there has been a release of the impairment provision on the investment in Folkestone Harbour Company Limited of £4,939,873 (2014: £nil).

**FOLKESTONE HARBOUR HOLDINGS LIMITED**  
**Notes to the financial statements continued**

**6 Investments**

	<b>Folkestone Harbour Company Limited</b>	<b>Folkestone Harbour (1) Limited</b>	<b>Folkestone Harbour (2) Limited</b>	<b>Folkestone Harbour (3) Limited</b>	<b>Folkestone Harbour (4) Limited</b>	<b>Folkestone Harbour GP Limited</b>	<b>Total</b>
	£	£	£	£	£	£	£
<b>Cost</b>							
1 Jan 2015	4,939,873	2	2	2	2	2	4,939,883
Change in the year	-	-	-	-	-	-	-
31 Dec 2015	4,939,873	2	2	2	2	2	4,939,883
<b>Impairment</b>							
1 Jan 2015	4,939,873	-	-	-	-	-	4,939,873
Change in the year	(4,939,873)	-	-	-	-	-	(4,939,873)
31 Dec 2015	-	-	-	-	-	-	-
<b>Impaired Cost as at</b>							
31 Dec 2015	4,939,873	2	2	2	2	2	4,939,883
<b>Impaired Cost as at</b>							
31 Dec 2014	-	2	2	2	2	2	10

The director has reviewed the value of the investment in Folkestone Harbour Company Limited, the net assets of which have increased to £8.5million in the year. The carrying value of the investment has therefore been written back to cost value. This is regarded to be a permanent change given the progression of the development of Folkestone harbour and its anticipated sale value.

**7 Debtors**

	<b>2015</b>	<b>2014</b>
	£	£
Due from subsidiary undertakings	18,821	16,821
Due from Folkestone Harbour Limited Partnership	9,270	4,635
Social security and other taxes	7,613	808
	<u>35,704</u>	<u>22,264</u>

**FOLKESTONE HARBOUR HOLDINGS LIMITED**  
**Notes to the financial statements continued**

<b>8</b>	<b>Creditors</b>	<b>2015</b>	<b>2014</b>
	- amounts falling due within one year	£	£
	Trade creditors	15,204	18,938
	Accruals	11,000	11,000
	Loan from director	44,518,071	-
		<u>44,544,275</u>	<u>29,938</u>

With effect from 1 January 2015 the loan is repayable on demand and was therefore reclassified as creditors falling due within one year in the current period. It is also interest free. The lender has indicated that he does not intend to demand repayment within the next 12 months. The loan is secured by way of a debenture over the assets of the company.

<b>9</b>	<b>Creditors</b>	<b>2015</b>	<b>2014</b>
	- amounts falling due after more than one year	£	£
	Loan from director	<u>-</u>	<u>42,468,071</u>

<b>10</b>	<b>Called up share capital</b>	<b>2015</b>	<b>2014</b>
		£	£
	<b>Authorised</b>		
	12,000,000 ordinary shares of £1 each	<u>12,000,000</u>	<u>12,000,000</u>
	<b>Allotted and fully paid</b>		
	2,800,002 ordinary shares of £1 each	<u>2,800,002</u>	<u>2,800,002</u>

<b>11</b>	<b>Profit and loss account</b>	<b>2015</b>	<b>2014</b>
		£	£
	At 1 <sup>st</sup> January	(25,243,994)	(24,191,259)
	Profit/(loss) for the year	10,611,334	(1,052,735)
	At 31 December	<u>(14,632,660)</u>	<u>(25,243,994)</u>

<b>12</b>	<b>Reconciliation of movement in shareholder's deficit</b>	<b>2015</b>	<b>2014</b>
		£	£
	Total Comprehensive Income relating to the period	10,611,334	(1,052,735)
	Shareholder's deficit brought forward	(22,443,992)	(21,391,257)
	Shareholder's deficit carried forward	<u>(11,832,658)</u>	<u>(22,443,992)</u>

**FOLKESTONE HARBOUR HOLDINGS LIMITED****Notes to the financial statements continued****13 Related party disclosures**

The company has the following loan arrangements with its subsidiary undertakings, all of which are wholly owned, UK registered companies. With the exception of Folkestone Harbour Company Limited, the subsidiaries are Limited Partners in Folkestone Harbour Limited Partnership, an English Qualifying Partnership.

	<b>Loan Receivable 31 December 2014 £</b>	<b>Movement in the year £</b>	<b>Impairment Provision £</b>	<b>Loan Receivable 31 December 2015 £</b>
Folkestone Harbour Company Ltd	2,725,177	(70,000)	-	2,655,177
Folkestone Harbour (1) Ltd	247,194	-	107,968	355,162
Folkestone Harbour (2) Ltd	5,843,597	-	2,694,183	8,537,780
Folkestone Harbour (3) Ltd	3,504,640	-	1,616,337	5,120,977
Folkestone Harbour (4) Ltd	2,762,484	-	1,276,060	4,038,544
Folkestone Harbour LP	4,645,000	2,365,000	-	7,010,000
Folkestone Harbour (GP) Ltd	2,366	-	1,074	3,440
	<u>19,730,458</u>	<u>2,295,000</u>	<u>5,695,622</u>	<u>27,721,080</u>

All of the above loans are repayable on demand. In addition to the above loan agreements, the company has provided working capital advances to Folkestone Harbour (1) Limited of £4,102, Folkestone Harbour (2) Limited of £3,503, Folkestone Harbour (3) Limited of £3,503, Folkestone Harbour (4) Limited of £4,003, Folkestone Harbour (GP) Limited of £3,709 and Folkestone Harbour LP of £9,270.

**14 Controlling interest**

The ultimate controlling shareholder is Roger De Haan

**15 Exemption from Group Financial Statements**

The director has taken advantage of the exemption from preparing group accounts under section 398 of Part 15 of the Companies Act 2006.

**FOLKESTONE HARBOUR HOLDINGS LIMITED**  
**Notes to the financial statements**

**16 Financial Information about Subsidiary Undertakings**

The aggregate capital and reserves as at the end of the financial year, and the profits/(losses) for the year were as follows:

	<b>Capital &amp; reserves</b>	<b>Profit/(Loss) for the year</b>
	<b>£</b>	<b>£</b>
Folkestone Harbour Company Limited	8,463,000	5,190,000
Folkestone Harbour (1) Limited	(12,941,953)	5,190,799
Folkestone Harbour (2) Limited	(6,718,731)	2,694,183
Folkestone Harbour (3) Limited	(4,032,930)	1,616,337
Folkestone Harbour (4) Limited	(3,180,727)	1,274,337
Folkestone Harbour (GP) Limited	(6,382)	677

Other subsidiaries did not trade during the year and the amounts are not disclosed on the grounds of their immateriality.