

FOLKESTONE HARBOUR (GP) LIMITED
DIRECTOR'S REPORT AND ACCOUNTS

31 DECEMBER 2016

Company Registration Number: 6044108

16/09/2017

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COMPANIES HOUSE

FOLKESTONE HARBOUR (GP) LIMITED

Directors' report

Directors: Sir Roger De Haan, Paul Hudson, Susan Young

Secretary: Richard Fraser

Registered Office: Strand House, Pilgrims Way, Monks Horton, Ashford, Kent
TN25 6DR

Company number: 6044108

The directors submit their report together with the audited accounts of the company for the year ended 31 December 2016.

Principal activities and review of business

The company is the general partner of Folkestone Harbour Limited Partnership, a partnership set up to redevelop Folkestone harbour. Its partnership share is 0.01%. Following the grant of planning permission last year, the business is now focusing its efforts on the first stages of the redevelopment programme.

Directors

Roger De Haan remained the sole director of the company throughout the year. The company appointed Paul Hudson as a non executive director on 22 July 2017 and Susan Young as a non executive director on 23 July 2017.

Results and dividends

The profit for the year amounted to £804 (2015 - £677) and has been transferred to reserves. No dividend is payable.

Directors Interests

R M De Haan owns the whole of the issued share capital of the immediate parent undertaking, Folkestone Harbour Holdings Limited.

Disclosure of information to auditor

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

Auditor

KPMG LLP have 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.

Directors' report continued

By order of the board



R J Fraser
Secretary

31/8/17

Registered Office

Strand House
Pilgrims Way
Monks Horton
Ashford
Kent
TN25 6DR

FOLKESTONE HARBOUR (GP) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 judgments and 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 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 AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR (GP) LIMITED

We have audited the financial statements of Folkestone Harbour (GP) Limited for the year ended 31 December 2016 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is 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).

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 auditor

As explained more fully in the Directors' Responsibilities 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. 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.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year is consistent with the financial statements.

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report-; 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

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 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.



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

Date: 7/9/17

FOLKESTONE HARBOUR (GP) LIMITED**Profit and loss account for the year ended 31 December 2016**

	Note	2016	2015
		£	£
Administrative Expenses		(400)	(400)
Release of impairment	4	1,204	1,077
Profit on ordinary activities before taxation	2	<hr/> 804	<hr/> 677
Taxation	3	-	-
Profit on ordinary activities after taxation		<hr/> 804	<hr/> 677

Continuing operations

All activities are continuing.

Other comprehensive income

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

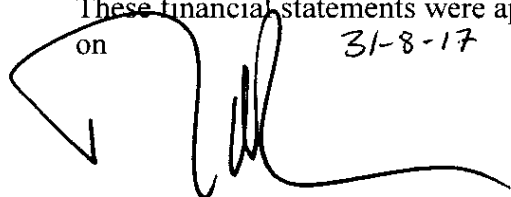
The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR (GP) LIMITED
Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	4,626	3,422
Current assets			
Cash at bank and in hand		20	20
		<u>20</u>	<u>20</u>
Creditors			
- Amounts falling due within one year	5	(10,224)	(9,824)
		<u>(10,204)</u>	<u>(9,804)</u>
Net current liabilities			
		<u>(10,204)</u>	<u>(9,804)</u>
Net liabilities		<u>(5,578)</u>	<u>(6,382)</u>
Capital and reserves			
Called-up share capital	6	2	2
Profit and loss account	7	(5,580)	(6,384)
		<u>(5,578)</u>	<u>(6,382)</u>
Shareholder's deficit	8		

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 31-8-17



RM De Haan
Director
Company Registration Number: 6044108

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR (GP) LIMITED

Notes to the financial statements

1 Accounting policies

a) Accounting convention

The Company met the small company criteria and therefore these financial statements were prepared 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). The Company has taken advantage of the exemptions under Section 1A of FRS 102 in respect of the preparation of a Cash Flow Statement and related notes and a Statement of Changes in Equity.

A key source of estimation uncertainty within these financial statements surrounds the carrying value of the company's investment in Folkestone Harbour Limited Partnership. The Director has reviewed the carrying cost of this investment against estimates of net realisable value (NRV). The Director has arrived at NRV by valuing the investment at an amount equivalent to the company's share of net assets of the partnership. This has given rise to an increase in value of £1,204 (2015 increase - £1,077). Should there be further significant movement in UK real estate pricing, then further write-downs or write-backs of the investment may be necessary.

b)

Investments

Investments are held at cost less any provision for impairment.

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 Folkestone Harbour Holdings Limited, the company's ultimate parent. Folkestone Harbour Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it intends to continue to make available such funds as are needed by the company and in particular it 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. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he has no reason to believe that it will not do so.

FOLKESTONE HARBOUR (GP) LIMITED
Notes to the financial statements continued

2	Profit on ordinary activities before taxation	2016	2015
		£	£
	Is stated after charging:-		
	Audit fees	400	400

There were no other fees charged by the auditor in either the current year or the prior year. The director received no remuneration for his services to the company in either the current year or the prior year.

3	Tax on profit on ordinary activities	2016	2015
		£	£
	Current tax	-	-
	Profit/(loss) on ordinary activities before taxation	804	677
	Reconciliation of Current Tax charge:		
	UK corporation tax rate of 20.00% (2015:20.25%)	161	137
	Unrelieved losses	85	85
	Tax on share of partnership result	(5)	(4)
	Non-taxable income	(241)	(218)
		-	-
	Total non-utilised tax losses		
	At 1 January	2,150	1,730
	At 31 December	2,573	2,150

UK corporation tax rate reduced from 21% to 20% (effective 1 April 2015). Further reductions to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 6 September 2016. The impact has not yet been estimated.

FOLKESTONE HARBOUR (GP) LIMITED
Notes to the financial statements continued

4 Investments

Cost:	£
At 1 January 2016 -Investment in partnership	5,035
-Investment in subsidiary undertakings	4
Additions	-
At 31 December 2016	<u>5,039</u>
Impairment losses:	
At 1 January 2016	(1,617)
Release for the year	<u>1,204</u>
At 31 December 2016	<u>(413)</u>
Net book amount at 31 December 2016	<u>4,626</u>
Net book amount at 31 December 2015	<u>3,422</u>

The reason for the impairment charge is explained in note 1.

The partnership investment comprises a 0.01% partnership share in Folkestone Harbour Limited Partnership. The investment in subsidiary undertakings represents an investment of £2 in each of Folkestone Harbour Nominee (1) Limited and Folkestone Harbour Nominee (2) Limited. Both subsidiaries are wholly owned, are registered in England, and did not trade during the year.

5 Creditors

	2016	2015
- amounts falling due within one year	£	£
Amount due to parent undertaking	4,109	3,709
Amount due to subsidiary undertakings	4	4
Loan from parent undertaking	<u>6,111</u>	<u>6,111</u>
	<u>10,224</u>	<u>9,824</u>

The details regarding the amounts outstanding are set out in note 9. The loan is repayable on demand and is therefore classified as a creditor falling due within one year in the current period. It is also interest free. The lender has indicated that it does not intend to demand repayment within the next 12 months, as set out in note 1(c).

FOLKESTONE HARBOUR (GP) LIMITED**Notes to the financial statements continued**

6	Called up share capital	2016	2015
		£	£
	Authorised		
	100 ordinary shares of £1 each	100	100
	Allotted and fully paid		
	2 ordinary shares of £1 each	2	2
7	Profit and loss account	2016	2015
		£	£
	At 1 January	(6,384)	(7,061)
	Profit for the period	804	677
	At 31 December	(5,580)	(6,384)
8	Reconciliation of movement in shareholder's deficit	2016	2015
		£	£
	Total Comprehensive Income relating to the year	804	677
	Shareholder's deficit brought forward	(6,382)	(7,059)
	Shareholder's deficit carried forward	(5,578)	(6,382)
9	Related party disclosures		
	The company has an outstanding loan payable to its parent undertaking, Folkestone Harbour Holdings Limited amounting to £6,111 due within one year (2015-£6,111) and a further amount payable on current account of £4,109 (2015-£3,709). The company has a 0.01% interest in Folkestone Harbour Limited Partnership. All of the entities referred to in this section are ultimately controlled by Roger De Haan.		
10	Controlling interest		
	The ultimate controlling shareholder is Roger De Haan. The immediate and ultimate parent company is Folkestone Harbour Holdings Limited.		
11	Exemption from Group Financial Statements		
	The company controls Folkestone Harbour Limited Partnership, as General Partner, and has taken advantage of the exemption within section 398 of Part 15 of the Companies Act 2006 to dispense with the requirement to prepare consolidated financial statements. The statutory financial statements of Folkestone Harbour Limited Partnership are appended to these financial statements.		

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

31 DECEMBER 2016

Registration Number: LP11912



11/09/2017
COMPANIES HOUSE

#49

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Report of the General Partner

Introduction

Folkestone Harbour (GP) Limited ("the General Partner") presents the financial statements for Folkestone Harbour Limited Partnership ("the Partnership") for the year ended 31 December 2016.

Principal activities and review of business

The Partnership was established to acquire and redevelop property situated at Folkestone harbour and the Folkestone foreshore area. Following the grant of planning permission last year, the business is now focusing its efforts on the first stages of the redevelopment programme.

Results for the year

The profit for the year amounted to £12,056,228 (2015 - £10,778,465) and has been transferred to partners' capital accounts. The large profit arises from the release of £12 million of impairment provision relating to the partnership's stock of land.

Disclosure of information to auditor

The directors of the General Partner confirm that, so far as they are aware, there is no relevant audit information of which the Partnership's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a directors to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Auditor

KPMG LLP have expressed their willingness to continue in office as auditor. A resolution proposing their re-appointment will be made by the Partnership.



31-8-17

Sir Roger De Haan
Director

For and on behalf of Folkestone Harbour (GP) Limited

Strand House,
Pilgrims Way,
Monks Horton,
Ashford
Kent TN25 6DR

Registration number: LP11912

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE FINANCIAL STATEMENTS

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

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has 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 General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to:

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

The General Partner has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR LIMITED PARTNERSHIP

We have audited the financial statements of Folkestone Harbour Limited Partnership for the year ended 31 December 2016 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is 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).

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the partnership'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 partnership and the partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the General Partner and auditor

As explained more fully in the Statement of General Partner's Responsibilities Statement set out on page 2, the General Partner is 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FOLKESTONE HARBOUR LIMITED PARTNERSHIP 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 as applied to qualifying partnerships 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to prepare the financial statements in accordance with the small companies regime, as applied to qualifying partnerships, and take advantage of the small companies exemption, as applied to qualifying partnerships, 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: 7/9/17

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2	28,855	147,936
Cost of sales		-	-
Release of inventory provisions	1	12,284,038	10,978,867
Gross profit		12,312,893	11,126,803
Administrative expenses		(256,974)	(358,683)
Operating profit		12,055,919	10,768,120
Interest receivable	3	309	10,345
Profit for the financial year before distributions	4	12,056,228	10,778,465
Distributions		-	-
Increase in net assets attributable to the partners from operations		12,056,228	10,778,465

Continuing operations

All of the operations of the partnership are continuing.

Other comprehensive income

The partnership has no other comprehensive income other than the amounts shown above.

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	31,619	1,000
Current assets			
Debtors	7	367,172	114,965
Inventory	8	59,490,945	42,843,254
Cash at bank and in hand		178,499	66,825
		<u>60,036,616</u>	<u>43,025,044</u>
Creditors			
- amounts falling due within one year	9	<u>(13,848,267)</u>	<u>(8,862,304)</u>
Net current assets		46,188,349	34,162,740
Net assets attributable to partners		<u>46,219,968</u>	<u>34,163,740</u>

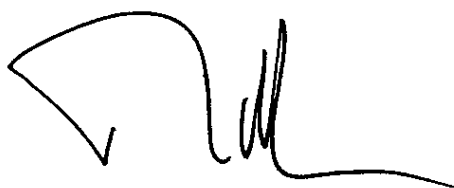
Represented by:

Partners' funds classified as a liability under FRS 102

Partners' loans

Loans and other debts due to partners

<u>46,219,968</u>	<u>34,163,740</u>
<u>46,219,968</u>	<u>34,163,740</u>



These financial statements were approved by
R M De Haan on 31-8-17

For and on behalf of Folkestone Harbour (GP) Limited

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Statement of Changes in Net Assets Attributable to the Partners

	Partner loans 2016 £	Total funds 2016 £	Partner loans 2015 £	Total funds 2015 £
Net assets attributable to the partners at 1 January	34,163,740	34,163,740	23,385,275	23,385,275
Increase in net assets attributable to the partners from operations	12,056,228	12,056,228	10,778,465	10,778,465
Net assets attributable to the partners at 31 December	<u>46,219,968</u>	<u>46,219,968</u>	<u>34,163,740</u>	<u>34,163,740</u>

The Partnership's contributed capital from the partners is classified as a financial liability, in accordance with FRS 102 and the terms of the instruments as set out in the Limited Partnership Agreement, and are presented as 'Net assets attributable to the partners' in the balance sheet. Distributions are presented separately in the profit and loss account.

Net assets attributable to partners' capital are carried at amortised cost consistent with other amounts classified as loans.

The notes on pages 8 to 11 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements

1 Accounting policies

a) Basis of preparation

Under the Partnership and Unlimited Companies (Accounts) Regulations 2008, the partnership, as a qualifying partnership, is required to prepare and have audited an annual report and financial statements under Part 15 and Chapter 1 of Part 16 of the Companies Act 2006 as if the Partnership was a company formed and registered under the Companies Act.

The partnership met the small company criteria and therefore these financial statements were prepared 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). The partnership has taken advantage of the exemptions under Section 1A of FRS 102 in respect of the preparation of a Cash Flow Statement and related notes.

A key source of estimation uncertainty within these financial statements surrounds the carrying value of inventory. The Director of the General Partner has reviewed the carrying costs of inventory against estimates of net realisable value (NRV). The Director has arrived at NRV taking account of an estimate of cash flows projected to arise from the realisation of inventory having obtained external advice. This has given rise to an increase in value for the year of £12,284,038 (2015 increase - £10,978,867). Should there be further significant movement in UK real estate pricing, then further write-downs or write-backs of inventory may be necessary

b) Turnover

Turnover is recognised in the accounts in the period when the related goods or services are provided. Rental income is recognised on a straight-line basis over the period of the lease.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, where appropriate, provision for impairment. The cost of fixed assets is depreciated by equal instalments over their useful economic lives as follows;

Fixtures and fittings – over three years.

Motor vehicles – over three years.

d) Inventory

Inventory is included in the accounts at the lower of cost and net realisable value.

Cost comprises land acquisition costs, professional fees and initial preparatory construction work.

Folkestone Harbour Limited Partnership owns the beneficial interest in the land, the legal title of which is held by Folkestone Harbour Nominee (1) Limited and Folkestone Harbour Nominee (2) Limited

FOLKESTONE HARBOUR LIMITED PARTNERSHIP**Notes to the financial statements continued****e) Interest income**

Interest income is recognised in the period to which it relates.

f) Taxation

The Partnership is not a taxable entity and accordingly no provision is made in these accounts for taxation.

2 Turnover

Turnover comprises principally of rental income arising on properties let in the period prior to their re-development and other ancillary income.

3 Interest receivable

	2016	2015
	£	£
Bank deposit interest receivable	309	212
Other interest	-	10,133
	<u>309</u>	<u>10,345</u>

4 Profit for the financial period before distributions

	2016	2015
	£	£
Is stated after charging:		
Audit fees	<u>4,635</u>	<u>4,635</u>

Other non-audit fees of £134,040 (2015: £24,750) were paid to the auditor for services relating to tax advice and financial modelling.

5 Staff costs

Employee costs for the year were as follows:

	2016	2015
	£	£
Wages and salaries	41,176	130,321
Social security costs	2,877	10,491
Health care and other benefits	2,152	4,036
Other pension costs	4,306	13,787
	<u>50,511</u>	<u>158,635</u>

The average number of employees during the year was 4 (2015: 4).

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Notes to the financial statements continued

6	Tangible fixed assets	Fixtures & Fittings	Motor Vehicles	Total
	Cost:	£	£	£
	At 1 January 2016	26,902	1,000	27,902
	Additions in year	4,257	40,815	45,072
	Disposals in year	-	-	-
	At 31 December 2016	31,159	41,815	72,974
	Aggregate depreciation:			
	At 1 January 2016	(26,902)	-	(26,902)
	Charge for the year	(515)	(13,938)	(14,453)
	Disposals in year	-	-	-
	At 31 December 2016	(27,417)	(13,938)	(41,355)
	Net book amount - 31 December 2016	3,742	27,877	31,619
	Net book amount - 31 December 2015	-	1,000	1,000
7	Debtors	2016	2015	
		£	£	
	Prepayments	16,434	15,338	
	Trade debtors	7,360	6,266	
	Other taxes and social security	260,936	53,080	
	Amounts due from other group undertakings	82,442	40,281	
		367,172	114,965	
8	Inventory	2016	2015	
		£	£	
	Land held for development	59,490,945	42,843,254	

As explained in note 1 there has been an increase in the value of inventory during 2016 of £12,284,038 (2015: £10,978,867), arising from a review of the impairment provision.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

9	Creditors	2016	2015
	- amounts falling due within one year	£	£
	Accruals and deferred income	142,560	89,762
	Other tax and social security	16,926	5,774
	Trade creditors	538,048	31,157
	Other creditors	1,877	-
	Amount due to group undertakings (see note 10)	2,515	9,270
	Loans from other group undertakings (see note 10)	12,521,341	8,101,341
	Loan from partner (see note 10)	625,000	625,000
		<u>13,848,267</u>	<u>8,862,304</u>

The loans are repayable on demand and are therefore classified as creditors falling due within one year. They are also interest free. The lenders have indicated that they do not intend to demand repayment within the next 12 months. Of the amount due to other group undertakings, £11,430,000 (2015: £7,010,000) is secured on the assets of the partnership under the terms of a loan agreement dated 13 October 2010 and amended 1 January 2015.

10 Related party disclosures

Roger De Haan, through an intermediate holding company (Folkestone Harbour Holdings Limited), owns 100% of the partner companies and Folkestone Harbour Company Limited. The partnership owes £625,000 to Folkestone Harbour (1) Limited by way of an interest free loan (2015- £625,000).

The partnership owes £1,091,341 to Folkestone Harbour Company Limited by way of an interest free loan (2015- £1,091,341).

The partnership owes £11,430,000 to Folkestone Harbour Holdings Limited by way of an interest free loan (2015- £7,010,000) and £2,515 (2015: £9,270) as a current liability.

The partnership is owed £100 (2015: £100) by each of the following companies: Folkestone Harbour (1) Limited, Folkestone Harbour (2) Limited, Folkestone Harbour (3) Limited and Folkestone Harbour (4) Limited.

The partnership is owed £82,042 (2015 owed: £39,882) by Folkestone Harbour Company Limited.