

FOLKESTONE HARBOUR (GP) LIMITED
DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 2022

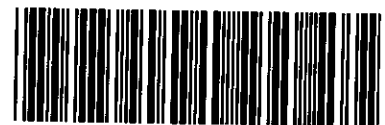
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FOLKESTONE HARBOUR (GP) LIMITED

Directors' report

Directors: Sir Roger De Haan
Paul Hudson
Susan Young (resigned March 2023)
Paul Ellis
Martin Hart
Lady Alison De Haan
Joshua De Haan
Luke Bain (appointed 9 October 2023)

Secretary: Luke Bain

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 2022.

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 and foreshore area. Its partnership share is 0.01%. The partnership is now progressing with construction of the first phase. 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 partnership has considered the current uncertainty in the UK property market when valuing its inventory.

Directors

All directors listed were directors of the company throughout the year.

Results and dividends

The profit for the year amounted to £15,754 (2021 - £12,781) and has been transferred to reserves. No dividend is payable.

Directors Interests

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

FOLKESTONE HARBOUR (GP) LIMITED

Directors' report continued

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' 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 directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

MHA 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 1A of FRS 102 relating to small companies.

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



L J Bain
Secretary

14 December 2023

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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
- 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 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.

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

Opinion

We have audited the financial statements of Folkestone Harbour (GP) Limited (the 'Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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, 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, 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 FOLKESTONE HARBOUR (GP) LIMITED

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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry of management around actual and potential litigation and claims; and
- Reviewing minutes of meetings of those charged with governance.

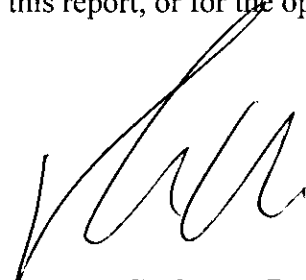
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

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.



Duncan Cochrane-Dyet BSc BFP FCA, Senior Statutory Auditor

for and on behalf of

MHA

Statutory Auditor

Maidstone

United Kingdom

Date: 21 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

FOLKESTONE HARBOUR (GP) LIMITED**Profit and loss account for the year ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	2	199,760	157,374
Cost of sales		-	-
Gross profit		199,760	157,374
Administrative expenses		(184,483)	(143,667)
Release/(impairment) of investments	6	477	(926)
Profit on ordinary activities before taxation	3	15,574	12,781
Taxation	5	-	-
Profit on ordinary activities after taxation	10	15,574	12,781

Continuing operations

All activities are continuing.

Other comprehensive income

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

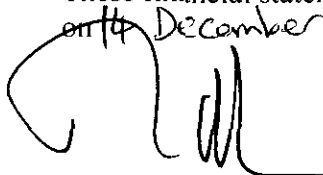
The notes on pages 10 to 14 form part of these financial statements.

FOLKESTONE HARBOUR (GP) LIMITED
Balance sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	6	3,360	2,883
Current assets			
Debtors	7	60,307	42,147
Cash at bank and in hand		20	20
		<u>60,327</u>	<u>42,167</u>
Creditors			
- Amounts falling due within one year	8	(16,089)	(13,206)
		<u>44,238</u>	<u>28,961</u>
Net current assets			
		<u>47,598</u>	<u>31,844</u>
Net assets			
		<u>47,598</u>	<u>31,844</u>
Capital and reserves			
Called-up share capital	9	2	2
Profit and loss account	10	47,596	31,842
		<u>47,598</u>	<u>31,844</u>
Shareholder's funds	11		

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the provisions of FRS 102 section 1A – small entities.

These financial statements were approved by the directors on ~~the~~ 4 December 2023 and signed on their behalf by:



RM De Haan
Director
Company Registration Number: 6044108

The notes on pages 10 to 14 form part of these financial statements.

FOLKESTONE HARBOUR (GP) LIMITED

Notes to the financial statements

1 Accounting policies

a) General information

Folkestone Harbour (GP) Limited is a private company limited by shares and incorporated in England and Wales within the United Kingdom. The address of the registered office is Strand House, Pilgrims Way, Monks Horton, Ashford, Kent TN25 6DR.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

b) 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.

c) Critical accounting judgements and key sources of estimation uncertainty

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 partnership has considered the current uncertainty in the UK property market when valuing its inventory. The directors have reviewed the carrying cost of this investment against estimates of net realisable value (NRV). The directors have 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 £477 (2021 decrease - £926). Should there be further significant movement in UK real estate pricing, then further write-downs or write-backs of the investment may be necessary.

d) Expenses

All expenses are accounted for on an accruals basis.

e) Investments

Investments are held at cost less any provision for impairment.

f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

g) Trade and other receivables

Trade and other receivables are stated at their nominal value.

h) Trade and other payables

Trade and other payables are stated at their nominal value.

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

i) Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors consider that the company will have sufficient funds, through funding from its immediate parent company, Folkestone Harbour Holdings Limited, to meet its liabilities as they fall due for in the 12 months from the date of approval of these financial statements.

This assessment is dependent on Folkestone Harbour Holdings Limited not seeking repayment of the amounts currently due to it, which at 31 December 2022 amounted to £16,085 (2021: £13,202) and providing additional financial support during that period. Folkestone Harbour Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for a period of 12 months from the date of approval of the accounts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the accounts.

2 Turnover

Turnover comprises of charges to Folkestone Harbour Limited Partnership relating to the services provided in its capacity as General Partner.

3 Profit on ordinary activities before taxation	2022	2021
	£	£
Is stated after charging:-		
Audit fees	1,250	567

There were no other fees charged by the auditor in either the current year or the prior year.

4 Directors' remuneration

	2022	2021
	£	£
Emoluments	163,250	130,000

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

5	Tax on profit on ordinary activities	2022	2021
		£	£
	Current tax	-	-

UK corporation tax rate remained at 19% (effective 1 April 2019). Corporation tax rates will remain at 19% for the financial years starting April 2021, as substantively enacted on 17 March 2020. Legislation has been introduced in the Finance Bill 2021 to effect an increase in the Corporate Tax main rate to 25% for the financial year beginning 1 April 2023.

6	Investments	
	Cost:	£
	At 1 January 2022 -Investment in partnership	5,035
	-Investment in subsidiary undertakings	4
	Additions	-
	At 31 December 2022	<u>5,039</u>
	Impairment losses:	
	At 1 January 2022	(2,156)
	Release for the year	477
	At 31 December 2022	<u>(1,679)</u>
	Net book amount at 31 December 2022	<u>3,360</u>
	Net book amount at 31 December 2021	<u>2,883</u>

6 Investments continued

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

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 at Strand House, Pilgrims Way, Monks Horton, Ashford, Kent, TN25 6DR, and did not trade during the year.

7	Debtors	2022	2021
	- amounts falling due within one year	£	£
	Amount due from Folkestone Harbour Limited Partnership	60,307	42,147
		<u>60,307</u>	<u>42,147</u>

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

8	Creditors	2022	2021
	- amounts falling due within one year	£	£
	Amount due to parent undertaking	9,974	7,091
	Amount due to subsidiary undertakings	4	4
	Loan from parent undertaking	6,111	6,111
		<u>16,089</u>	<u>13,206</u>

The details regarding the amounts outstanding are set out in note 12. 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(h).

9	Called up share capital	2022	2021
		£	£
	Authorised		
	100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted and fully paid		
	2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

10	Profit and loss account	2022	2021
		£	£
	At 1 January	31,842	19,061
	Profit for the period	15,754	12,781
	At 31 December	<u>47,596</u>	<u>31,842</u>

11	Reconciliation of movement in shareholder's funds	2022	2021
		£	£
	Total Comprehensive Profit relating to the year	15,754	12,781
	Shareholder's surplus/(deficit) brought forward	<u>31,844</u>	<u>19,063</u>
	Shareholder's surplus carried forward	<u>47,598</u>	<u>31,844</u>

12 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 (2021-£6,111) and a further amount payable on current account of £9,974 (2021-£7,091). The company has an amount receivable of £60,307 from Folkestone Harbour Limited Partnership (2021-£42,147). 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. The Company charged Folkestone Harbour Limited Partnership £199,760 (2021: £157,374) in respect of directors' salaries.

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

13 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.

14 Subsequent events

The Company has evaluated events from 31 December 2022 through to the date the financial statements were signed. There were no subsequent events that need disclosure.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
FINANCIAL STATEMENTS

31 DECEMBER 2022

Registration Number: LP11912

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 2022.

Principal activities and review of business

The Partnership was established to acquire and redevelop property situated at Folkestone harbour and the Folkestone foreshore area. During the past year, progress has continued on the construction of the first phase and designs for the remaining phases in the masterplan have been commissioned and are in progress.

Results for the year

The profit for the year amounted to £4,772,086 (2021 – £9,265,415 loss) and has been transferred to partners' capital accounts.

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 directors to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Small qualifying partnership

In preparing this report the directors of the General Partner have taken advantage of the small qualifying partnerships' regime exemptions provided by the Companies Act 2006 as applied to qualifying partnerships.

Auditor

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



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

Date: 14 December 2023

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 partnership 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 financial statements in accordance with UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the general partner 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 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 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
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The general partner is 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 partnership and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Folkestone Harbour Limited Partnership (the 'qualifying partnership') for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet, Statement of Changes in Net Assets attributable to the partners and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships.

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. We are independent of the qualifying partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the qualifying partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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 themselves*. *If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.*

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

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

- the information given in the General Partner's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the General Partner's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the general partner's report.

We have nothing to report in respect of the following matters in relation to which 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 members were not entitled to prepare the financial statements in accordance with the small qualifying partnerships regime and take advantage of the small qualifying partnerships' regime exemptions in preparing the general partner's report and from the requirement to prepare a strategic report.

Responsibilities of members

As explained more fully in the General Partner's Responsibilities Statement set out on page 2, the members 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the financial statements, the members are responsible for assessing the qualifying partnership'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 members either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Enquiry of management around actual and potential litigation and claims; and
- Reviewing minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

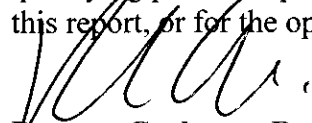
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's partners those matters we are required to state to them in an Auditor's Report and for no other purpose. To the

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

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's partners, as a body, for our audit work, for this report, or for the opinions we have formed.



Duncan Cochrane-Dyet BSc BFP FCA, Senior Statutory Auditor

for and on behalf of

MHA

Statutory Auditor

Maidstone

United Kingdom

Date: *21 December 2023*

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Profit and loss account for the year ended 31 December 2022

	Note	2022	2021
		£	£
Turnover	2	40,215,604	543,247
Cost of sales		(34,031,408)	-
Inventory impairment	1c/8	-	(8,860,424)
Gross profit		<u>6,184,196</u>	<u>(8,317,177)</u>
Administrative expenses		<u>(1,413,887)</u>	<u>(948,284)</u>
Operating profit/(loss)		<u>4,770,309</u>	<u>(9,265,461)</u>
Interest receivable	3	1,777	46
Profit/(loss) for the financial year before distributions	4	<u>4,772,086</u>	<u>(9,265,415)</u>
Distributions		-	-
Increase/(decrease) in net assets attributable to the partners from operations		<u>4,772,086</u>	<u>(9,265,415)</u>

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.

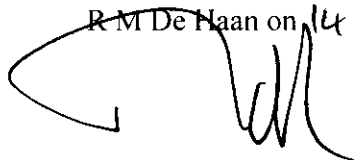
The notes on pages 10 to 14 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Balance sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	1,060,337	154,093
Current assets			
Debtors	7	35,123,376	208,331
Inventory	1c/8	76,916,962	89,869,841
Cash at bank and in hand		1,288,792	565,462
		<u>113,329,130</u>	<u>90,643,634</u>
Creditors			
- amounts falling due within one year	9	(80,825,750)	(62,006,096)
Net current assets		<u>32,503,380</u>	<u>28,637,538</u>
Net assets attributable to partners		<u>33,563,717</u>	<u>28,791,631</u>
Represented by:			
Partners' funds classified as a liability under FRS 102			
Partners' loans		33,563,717	28,791,631
Loans and other debts due to partners		<u>33,563,717</u>	<u>28,791,631</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small qualifying partnerships' regime, provided by the Companies Act 2006 as applied to qualifying partnerships, and in accordance with the provisions of FRS 102 section 1A – small entities.

These financial statements were approved by
R M De Naan on 14 December 2023



For and on behalf of Folkestone Harbour (GP) Limited

The notes on pages 10 to 15 form part of these financial statements.

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

	Partner loans 2022 £	Total funds 2022 £	Partner loans 2021 £	Total funds 2021 £
Net assets attributable to the partners at 1 January	28,791,631	28,791,631	38,057,046	38,057,046
Decrease in net assets attributable to the partners from operations	4,772,086	4,772,086	(9,265,415)	(9,265,415)
Net assets attributable to the partners at 31 December	33,563,717	33,563,717	28,791,631	28,791,631

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 10 to 15 form part of these financial statements.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements

1 Accounting policies

a) General information

Folkestone Harbour Limited Partnership is a qualifying partnership registered in England and Wales within the United Kingdom. The address of the registered office is Strand House, Pilgrims Way, Monks Horton, Ashford, Kent TN25 6DR.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

b) 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.

The directors of the General Partner have prepared the financial statements on the going concern basis as they consider that the partnership will have sufficient funding to enable it to meet its obligations for a period of at least 12 months from the date of approval of these accounts. The directors have reached this conclusion after considering two factors. First, they have received assurances from its lenders (which are all entities within the same group) that they do not intend to demand repayment of their loans within the next 12 months. Second, the ultimate parent entity and its shareholder have indicated that they intend to provide sufficient funding to enable the partnership to meet its obligations for a period of at least 12 months from the date of approval of these accounts.

Based on these assessments and having regard to the resources available to the entity, the directors of the General Partner have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the accounts.

c) Critical accounting judgements and key sources of estimation uncertainty

A key source of estimation uncertainty within these financial statements surrounds the carrying value of inventory. The Directors of the General Partner have reviewed the carrying costs of inventory against estimates of net realisable value (NRV) and concluded there is no impairment to include this year (2021 - £8,860,424 impairment). The previous total impairment of £18,207,577 has been realised on the disposal of Plots B and B2.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

d) 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.

e) Expenses

All expenses are accounted for on an accruals basis.

f) Interest Receivable

Interest receivable and similar income include interest receivable on bank deposits and is recognised in the period to which it relates.

g) 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:

construction compound – over five years; and
all other assets – over three years.

h) Inventory

Inventory is included in the accounts at the lower of cost and net realisable value. Cost comprises land acquisition costs, professional fees and 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

i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

j) Trade and other receivables

Trade and other receivables are stated at their nominal value.

k) Trade and other payables

Trade and other payables are stated at their nominal value.

l) Taxation

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

m) Government grants

The company receives government grants as disclosed in note 9. These grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be recognised using the performance model.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP
Notes to the financial statements continued

2 Turnover

Turnover is comprised as follows:

	2022	2021
Management charges to Folkestone Harbour Company Limited	650,096	502,102
Part disposal of stock to Folkestone Shoreline Limited	34,528,300	-
SELEP Grant	5,000,000	-
Other income	37,208	41,146
	<u>40,215,604</u>	<u>543,247</u>

3 Interest receivable

	2022	2021
	£	£
Bank deposit interest receivable	1,777	46
Other interest	-	-
	<u>1,777</u>	<u>46</u>

4 Profit/(Loss) for the financial period before distributions

	2022	2021
	£	£
Is stated after charging:		
Audit fees	17,500	12,980
	<u>17,500</u>	<u>12,980</u>

Other non-audit fees of £1,086 (2021: £1,096) were paid to the auditor for services relating to payroll.

5 Staff costs

Employee costs for the year were as follows:

	2022	2021
	£	£
Wages and salaries	796,184	539,644
Social security costs	78,236	47,822
Health care and other benefits	17,883	17,089
Other pension costs	53,602	39,291
	<u>945,905</u>	<u>643,846</u>

The average number of employees during the year was 23 (2021: 18).

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

6	Tangible fixed assets	Fixtures & Fittings	Motor vehicles	Total
	Cost:	£	£	£
	At 1 January 2022	255,707	-	255,707
	Additions in year	895,821	86,562	982,383
	Disposals in year	-	-	-
	At 31 December 2022	1,151,528	86,562	1,238,090
	Aggregate depreciation:			
	At 1 January 2022	(101,614)	-	(101,614)
	Charge for the year	(74,334)	(1,805)	(76,139)
	Disposals in year	-	-	-
	At 31 December 2022	(175,948)	(1,805)	(177,753)
	Net book amount - 31 December 2022	975,580	84,757	1,060,337
	Net book amount - 31 December 2021	154,093	-	154,093

7	Debtors	2022	2021
		£	£
	Prepayments	20,155	4,808
	Trade debtors	-	16,768
	Other debtors	3,221	192
	Other taxes and social security	439,750	145,677
	Amounts due from other group undertakings note 10	34,660,250	40,891
		<u>35,123,376</u>	<u>208,331</u>

Amounts due from other group undertakings are interest free and repayable on demand.

8	Inventory	2022	2021
		£	£
	Land held for development	<u>76,916,962</u>	<u>89,869,841</u>

As explained in note 1 the previously recognised impairment of £18,207,577 has been realised in 2022. There are no further impairments in 2022.

9	Creditors	2022	2021
	- amounts falling due within one year	£	£
	Accruals and deferred income	1,047,272	687,822
	Other tax and social security	46,205	26,855
	Trade creditors	429,341	267,185
	Other creditors	466	5,005,032
	Amount due to group undertakings (see note 10)	102,226	68,962
	Loans from other group undertakings (see note 10)	78,575,240	55,325,240
	Loan from partner (see note 10)	625,000	625,000
		<u>80,825,750</u>	<u>62,006,096</u>

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

9 Creditors continued

Included within other creditors in the prior year was an amount of £5,000,000 relating to a government grant. The grant was intended to support the delivery of the development at Folkestone seafront. The grant, which was received in 2017 and 2018, has now been released to the profit and loss following fulfilment of the conditions contained in the grant agreement.

The loans disclosed above 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, £78,575,240 (2021: £55,325,240) 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 (2021 - £625,000).

The partnership charged Folkestone Harbour Company Limited £650,096 in respect of management of the harbour (2021 - £502,102).

The partnership owes £78,575,240 to Folkestone Harbour Holdings Limited by way of an interest free loan (2021 - £55,325,240) and £41,919 (2021: £26,815) as a current liability.

The partnership is owed £750 (2021: £750) 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 owes £60,307 (2021: £42,147) to Folkestone Harbour (GP) Limited.

Folkestone Harbour (GP) Limited charged the partnership £199,760 (2021: £157,374) in respect of management fees.

The partnership is owed £119,423 (2021: £37,891) by Folkestone Harbour Company Limited.

The partnership is owed £34,537,827 by Folkestone Shoreline Limited in respect of the part disposal of stock.

The partnership purchased a vehicle from Sir Roger De Haan in the year for £26,000.

The partnership paid £422 to Creative Folkestone in respect of room hire.

FOLKESTONE HARBOUR LIMITED PARTNERSHIP

Notes to the financial statements continued

11 Subsequent events

The directors of the General Partner have evaluated events from 31 December 2022 through to the date the financial statements were issued. There were no subsequent events that need disclosure.