Company Registration No. 06987720 (England and Wales)

MACE DEVELOPMENTS (GREENWICH) LIMITED

(FORMERLY HADLEY MACE LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
COMPANY INFORMATION

Directors	D R Grover D V Hone S G Pycroft
Secretary	C Pate
Company number	06987720
Registered office	155 Moorgate London EC2M 6XB
Auditor	Glazers 843 Finchley Road London NW11 8NA

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
CONTENTS

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

On 3rd February 2017 the group became a wholly owned subsidiary of Mace Limited and changed its name to Mace Developments (Greenwich) Limited.

The principal activity of the group is large scale property development of residential led sites in London and the South East. It is currently developing a site, in partnership with the Greater London Authority (GLA), known as Greenwich Square in South East London.

In early 2017 phase 1 of the Greenwich Square development was completed with the sale of the last remaining unit. Phase 2 commenced in 2017 and is expected to complete in 2020.

The Group generated revenue of £798k (2016: £29.8m) and held development Work-in-Progress of £18.8m (2016: £16.1m).

The Board's long term strategy is to deliver shareholder value through developing the Company as a high quality developer, focused on London and the South East.

This strategy will be achieved through the completion of Greenwich Square and the targeted acquisition of large sites.

Principal risks and uncertainties

Sales Risk

Our sales strategy is to target individual owner occupiers and therefore we are mindful that availability of mortgages, the large deposits required to purchase and the increase in acquisition costs continue to put pressure on would-be purchasers. In addition to this, we are aware that in certain locations and price points, there is a potential over-supply. As we expand our market share we require a scalable sales and marketing platform which is capable of absorbing a greater number of residential units than in previous years.

We have mitigated against these factors by deploying highly targeted marketing strategies, which do not depend heavily on any one particular sales channel.

The Group has developed a scalable sales and marketing platform that involves staffing our developments with in-house staff and utilising appropriate estate agents as introducers. This has increased levels of customer service, sales rates, reduced transaction times and most importantly, started to build our own database enabling us to reach out to investors and individuals who purchase multiple properties in a timely and cost effective fashion

Supply Risk

London and the South East continues to suffer from an overall undersupply of well designed, quality housing stock and therefore the demand for development sites remains extremely high. The Group intends to continue to use its extensive network of contacts to identify appropriate off-market sites and acquire them at competitive rates.

Planning Risk

As the increase in demand for sites continues, there will be an increase in the proportion of sites that are purchased without planning consents in place. The industry continues to be at the forefront of political debate and the Group will continue to monitor and prepare for any planning implications that may arise. The Group will use the expertise and experience of its executive team, senior staff and key consultant team to ensure this planning risk is mitigated at all stages of the acquisition and development.

Dependencies on Key Personnel

One of the Group's strongest assets is the experience and expertise of its key personnel. The Directors have taken steps to secure its key team members through attractive remuneration and benefits packages.

Management Controls

Effective planning and management control systems are essential to enable the Group to implement its strategy. Future growth will depend on the Group's ability to expand whilst managing operational, financial and management risk.

Cost Risk

The last two years have seen a constant rise in construction costs, driven by increasing material costs and a lack of skilled labour supply. The Group is of the view that construction inflation has peaked, however should it continue to rise, it will reduce the overall profitability of our developments. The Group continues to carry out extensive tendering processes, marketing testing and actively develop strong working relations with contractors.

Land Acquisition Risk

The ability to procure suitable land acquisitions is key to securing the long term future of the Group. All potential land acquisitions are subject to a formal approval process, require Board approval and must meet minimum return rates. The Group continues to use its extensive range of contacts throughout the industry and beyond to identify potential purchases.

Development and performance

The group continues to engage with the GLA, as a member of its Development Panel, on sites across London.

Key performance indicators
The Group does not yet have specific KPI's set in place, however senior management reviews the Group's performance by reviewing cash projections, gross profit and revenue. The reviews in the period concluded that the positive trend in revenue income and budgeted future growth was consistent with Director's expectations.

On behalf of the board

....
D R Grover
Director
16 April 2018

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities
The principal activity of the company and group continued to be that of property development

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H M Panton	(Resigned 3 February 2017)
D R Grover	
A C Portlock	(Resigned 3 February 2017)
D V Hone	
S G Pycroft	
M R Lebihan	(Resigned 3 February 2017)
B D Higgins	(Resigned 3 February 2017)

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor
The auditor, Glazers, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

....

D R Grover
Director
Date: 16 April 2018

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MACE DEVELOPMENTS (GREENWICH) LIMITED

Opinion

We have audited the financial statements of Mace Developments (Greenwich) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, 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 FRS 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 group's and the parent company's affairs as at 31 December 2017 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

TO THE MEMBERS OF MACE DEVELOPMENTS (GREENWICH) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 group's and the parent 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 group or the parent company 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.

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

TO THE MEMBERS OF MACE DEVELOPMENTS (GREENWICH) LIMITED

Philippe Herszaft ACA (Senior Statutory Auditor)
for and on behalf of Glazers

18 April 2018

Chartered Accountants
Statutory Auditor

843 Finchley Road
London
NW11 8NA

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	797,594	29,792,288
Cost of sales		(795,323)	(29,742,527)
Gross profit		2,271	49,761
Administrative expenses		(8,000)	(153,175)
Operating loss	4	(5,729)	(103,414)
Amounts written off investments		-	11,433
Loss before taxation		(5,729)	(91,981)
Tax on loss	7	-	-
Loss for the financial year		(5,729)	(91,981)

Loss for the financial year is all attributable to the owners of the parent company

Total comprehensive income for the year is all attributable to the owners of the parent company

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
GROUP BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
Current assets					
Stocks	11	18,734,592		16,094,454	
Debtors	12	431,874		114,553	
Cash at bank and in hand		148,460		13,512,602	
		19,314,926		29,721,609	
Creditors: amounts falling due within one year	13	(8,532,306)		(18,661,451)	
Net current assets			10,782,620		11,060,158
Creditors: amounts falling due after more than one year	14		(10,804,344)		(11,076,153)
Net liabilities			(21,724)		(15,995)
Capital and reserves					
Called up share capital	16		2		2
Profit and loss reserves			(21,726)		(15,997)
Total equity			(21,724)		(15,995)

The financial statements were approved by the board of directors and authorised for issue on 16 April 2018 and are signed on its behalf by:

....

D R Grover

Director

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	8		1		1
Current assets					
Stocks	11	18,734,592		16,094,454	
Debtors	12	431,874		506,612	
Cash at bank and in hand		148,455		13,110,059	
		19,314,921		29,711,125	
Creditors: amounts falling due within one year	13	(8,530,806)		(18,648,701)	
Net current assets			10,784,115		11,062,424
Total assets less current liabilities			10,784,116		11,062,425
Creditors: amounts falling due after more than one year	14		(10,804,344)		(11,076,153)
Net liabilities			(20,228)		(13,728)
Capital and reserves					
Called up share capital	16		2		2
Profit and loss reserves			(20,230)		(13,730)
Total equity			(20,228)		(13,728)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £6,500 (2016 - £1 loss).

The directors of the company have elected not to include a copy of the income statement within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 16 April 2018 and are signed on its behalf by:

....

D R Grover
Director

Company Registration No. 06987720

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2016	2	75,984	75,986
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(91,981)	(91,981)
Balance at 31 December 2016	2	(15,997)	(15,995)
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(5,729)	(5,729)
Balance at 31 December 2017	2	(21,726)	(21,724)

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2016	2	(13,729)	(13,727)
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(1)	(1)
Balance at 31 December 2016	2	(13,730)	(13,728)
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(6,500)	(6,500)
Balance at 31 December 2017	2	(20,230)	(20,228)

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(13,364,144)		9,155,586
Net cash used in investing activities			-		-
Financing activities					
Proceeds from issue of shares		2		-	
Repayment of borrowings		-		11,433	
Net cash generated from financing activities			2		11,433
Net (decrease)/increase in cash and cash equivalents			(13,364,142)		9,167,019
Cash and cash equivalents at beginning of year			13,512,602		4,345,583
Cash and cash equivalents at end of year			148,460		13,512,602

MACE DEVELOPMENTS (GREENWICH) LIMITED
(FORMERLY HADLEY MACE LIMITED)
COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(12,961,606)		8,778,528
Net cash used in investing activities			-		-
Financing activities					
Proceeds from issue of shares		2		-	
Repayment of borrowings		-		11,433	
Net cash generated from financing activities			2		11,433
Net (decrease)/increase in cash and cash equivalents			(12,961,604)		8,789,961
Cash and cash equivalents at beginning of year			13,110,059		4,320,098
Cash and cash equivalents at end of year			148,455		13,110,059

1 Accounting policies

Company information

Mace Developments (Greenwich) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 155 Moorgate, London, EC2M 6XB.

The group consists of Mace Developments (Greenwich) Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Mace Developments (Greenwich) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1 Accounting policies **(Continued)**

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1 Accounting policies **(Continued)**

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies **(Continued)**

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Carrying value of work in progress
The group's principal activity is residential and commercial development. The majority of the development activity is not contracted prior to the development commencing. Accordingly, the Group has in its year end balance current assets that are not covered by a forward sale. The Group's internal controls are designed to identify any developments where the Balance Sheet value of work in progress is more than the lower of cost or net realisable value. Regular reviews are conducted of the net realisable value of sites based on a number of criteria. Where the estimated net realisable value of a site is is less than the its carrying value in the Balance Sheet, the company impairs the work in progress value. There were no such impairments in either the current or prior years.

The key judgements in these reviews were estimating the realisable value of a site, which is determined by forecast sales rates, expected sales prices and estimated costs to complete. The estimation of future sales prices and costs to complete included are based on current market values. During the year the Group continued to benefit from favourable market conditions. If the UK housing market were to change beyond management expectations in the future, in particular with regards to the assumptions around sales prices and estimated costs to complete, adjustments to the carrying value of land and work in progress may be required.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Work in progress and non-current liabilities
The group is undertaking a development on the basis that the final cost of the land acquired is dependant on a number of agreed parameters including final sales revenue and final development costs. Work in progress and non-current liabilities include £10,804,343 which is the minimum land price payable under the terms of the contract.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017	2016
	£	£
Turnover analysed by class of business		
Construction revenue	797,594	29,600,253
Rent receivable	-	192,035
	797,594	29,792,288

	2017	2016
	£	£
Turnover analysed by geographical market		
United Kingdom	797,594	29,792,288

4 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging:		
Cost of stocks recognised as an expense	795,323	29,742,527

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	6,500	6,400
Audit of the financial statements of the company's subsidiaries	1,500	1,500
	8,000	7,900

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017	2016	Company 2017	2016
	Number	Number	Number	Number
Directors	3	7	3	7

7 Taxation

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Loss before taxation	(5,729)	(91,981)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	(1,117)	(18,396)
Tax effect of expenses that are not deductible in determining taxable profit	-	1,280
Tax effect of utilisation of tax losses not previously recognised	(151)	-
Losses	1,268	17,116
Taxation charge for the year	-	-

8 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Investments in subsidiaries	9	-	-	1	1

Movements in fixed asset investments
Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2017 and 31 December 2017	1
Carrying amount	
At 31 December 2017	1
At 31 December 2016	1

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Greenwich Sqaure Limitrf	England & Wales	Dormant	N/A	100.00	
Greenwich Square (Commercial) Limited	England & Wales	Property Development	Ordinary	100.00	

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Greenwich Square (Commercial) Limited	771	(1,495)

The investments in subsidiaries are stated at cost.

Greenwich Square Limited is limited by guarantee.

10 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	407,230	80,656	431,874	496,982
Carrying amount of financial liabilities				
Measured at amortised cost	19,191,122	29,737,604	19,189,622	29,724,854

11 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Work in progress	18,734,592	16,094,454	18,734,592	16,094,454

12 Debtors

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	407,230	80,654	407,230	49,850
Unpaid share capital	-	2	-	2
Amounts owed by group undertakings	-	-	24,644	447,130
Other debtors	24,644	33,897	-	9,630
	431,874	114,553	431,874	506,612

13 Creditors: amounts falling due within one year

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Trade creditors	5,856,867	10,642,301	5,856,867	10,642,301
Amounts due to group undertakings	2,441,911	-	2,441,911	-
Other taxation and social security	145,528	-	145,528	-
Other creditors	80,000	8,011,250	80,000	8,000,000
Accruals and deferred income	8,000	7,900	6,500	6,400
	8,532,306	18,661,451	8,530,806	18,648,701

14 Creditors: amounts falling due after more than one year

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Other creditors	10,804,344	11,076,153	10,804,344	11,076,153

15 Contingent liabilities

The group is undertaking a development on the basis that the final cost of the land acquired is dependant on a number of agreed parameters including final sales revenue and final development costs. The directors consider that there will be a significant liability crystallising on completion of the development but that it is impracticable to estimate this liability. Non-current liabilities include £10,804,343 which is the minimum land price that is payable.

16 Share capital

	Group and company 2017	2016
Ordinary share capital	£	£
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

17 Controlling party

The ultimate parent company is Mace Finance Limited, a company registered in England and Wales whose registered office address is 155 Moorgate, London, EC2M 6XB. Group accounts are available from Companies House.

18 Cash generated from group operations

	2017	2016
	£	£
Loss for the year after tax	(5,729)	(91,981)
Adjustments for:		
Amounts written off investments	-	(11,433)
Movements in working capital:		
(Increase)/decrease in stocks	(2,640,138)	6,550,163
(Increase)/decrease in debtors	(326,576)	900,271
(Decrease)/increase in creditors	(10,391,701)	1,808,566
Cash (absorbed by)/generated from operations	(13,364,144)	9,155,586

18 Cash generated from operations - company

	2017	2016
	£	£
Loss for the year after tax	(6,500)	(1)
Adjustments for:		
Amounts written off investments	-	(11,433)
Movements in working capital:		
(Increase)/decrease in stocks	(2,640,138)	6,550,163
Decrease in debtors	65,106	393,131
(Decrease)/increase in creditors	(10,380,074)	1,846,668
Cash (absorbed by)/generated from operations	(12,961,606)	8,778,528