

Mayflower Manhattan Limited

Unaudited

Financial statements

Information for filing with the registrar

For the Year Ended 31 October 2017

Mayflower Manhattan Limited

Chairman's Statement For the Year Ended 31 October 2017

The chairman presents his statement for the period.

Review:

The company continued its momentum to create new homes, especially at the more affordable level, in built-up areas where demand is greatest in the UK. It also maintained its record of making a profit every year since incorporation in 1980. The contribution from construction activity will rise significantly as fresh phases of development come on stream.

Economy:

A realistic period for business to adapt after leaving Europe in March 2019 remains an urgent priority. The complex process following formal departure from the EU requires considerably longer than a transition of two years. In any event, the prospect of an economic under-performance compared to other G7 nations by the UK after leaving Europe seems increasingly inevitable and, indeed, has already been happening. Hopefully, continued growth in the world economy will prevent the UK going into recession. However, there is a risk of a softening in world-wide growth resulting from the imposition of tariffs from the current US administration. Hopefully, classic 'tit-for-tat' tariffs by individual countries will not develop into a full-blown trade war. A phase of entrenched protectionism, economically, benefits no one. History, witness 1929 and the onset of the Great Depression, also shows that social and political instability may follow.

There is currently much uncertainty facing the UK. This not only relates to the outcome, politically as well as economically, of Brexit but to other global factors. Escalating trade wars, strains in emerging markets and the increased possibility of a Chinese credit crisis are all clouds on the horizon. Domestically, the likelihood of a relatively weak economic period ahead indicates that UK interest rates look set to continue at historic low levels. The rise in US rates is no longer the main factor presaging an increase in UK rates. An increase of domestic rates remains likely to be subdued with sterling probably remaining weak. However, the long-term trend for interest rates is upwards and the level at which the Bank of England will start unwinding its huge holding of Quantitative Easing (£435bn of government bonds and £10bn of corporate bonds) has been lowered from when interest rates - currently still at an 'emergency' rate of 0.5% established in 2009 - reach 2.0% to 1.5%. We still seem to be some way off that occurring: the recovery from the financial crisis of 2007/8 has been slower than at any other period in British economic history.

Preview:

The company is committed to providing high quality homes, uplifting environments and good investments for clients. There is an increasing shortfall, at a significant level, of homes in the UK each year. Even if the government's current target of 300,000 new homes each year is met, there will remain a major shortfall. We expect to secure further planning permissions during the course of the next 12 months to continue a programme of providing homes at the starter / affordable sector of the market.

Conclusion:

Continuing low returns for savers remains the dominant ongoing issue. So, too, the desirability of a safe haven. For the intelligent investor, carefully chosen and well located sectors of the housing market continue to provide a good, and possibly the best, medium for enhanced yield and long term growth.

Name Nigel Grimshaw

Chairman

Date 6 July 2018

Mayflower Manhattan Limited
Registered number:1520231

Statement of Financial Position
As at 31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	230	307
Investment properties	6	5,044,264	5,044,264
		5,044,494	5,044,571
Current assets			
Stocks: Property for resale		2,654,331	2,361,171
Debtors: amounts falling due within one year	7	84,793	53,579
Cash at bank and in hand	8	543,381	763,698
		3,282,505	3,178,448
Creditors: amounts falling due within one year	9	(270,780)	(353,963)
Net current assets		3,011,725	2,824,485
Total assets less current liabilities		8,056,219	7,869,056
Creditors: amounts falling due after more than one year	10	(228,244)	(185,585)
Provisions for liabilities			
Deferred tax	4	(658,895)	(658,895)
		(658,895)	(658,895)
Net assets		7,169,080	7,024,576
Capital and reserves			
Called up share capital	12	50,000	50,000
Investment property revaluation reserve	13	3,870,922	3,870,922
Profit and loss account	13	3,248,158	3,103,654
		7,169,080	7,024,576

Mayflower Manhattan Limited
Registered number:1520231

Statement of Financial Position (continued)
As at 31 October 2017

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 July 2018.

N C Grimshaw MA (Cantab)
Director

The notes on pages 5 to 12 form part of these financial statements.

Mayflower Manhattan Limited

Statement of Changes in Equity
For the Year Ended 31 October 2017

	Called up share capital £	Investment property revaluation reserve £	Profit and loss account £	Total equity £
At 1 November 2015	50,000	2,763,165	2,751,793	5,564,958
Comprehensive income for the year	-	-	-	-
Profit for the year	-	-	1,459,618	1,459,618
Total comprehensive income for the year	-	-	1,459,618	1,459,618
Arising from revaluation of property during the year	-	1,662,325	(1,662,325)	-
Deferred tax arising from revaluation	-	(300,943)	300,943	-
Realised on sale of property	-	(253,625)	253,625	-
At 1 November 2016	50,000	3,870,922	3,103,654	7,024,576
Comprehensive income for the year	-	-	-	-
Profit for the year	-	-	144,504	144,504
Total comprehensive income for the year	-	-	144,504	144,504
At 31 October 2017	50,000	3,870,922	3,248,158	7,169,080

The notes on pages 5 to 12 form part of these financial statements.

Mayflower Manhattan Limited

Notes to the Financial Statements For the Year Ended 31 October 2017

1. General information

Mayflower Manhattan Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£), rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

2.2 Accounting estimates and judgments

In preparing the financial statements, the directors were not required to make any estimates or judgments which materially affect reported income, expenses, assets, liabilities or disclosure of contingent assets and liabilities, except for the valuation of the company's properties, as disclosed in note 2.4.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on furniture, fixtures and fittings over 5 years.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**Notes to the Financial Statements
For the Year Ended 31 October 2017**

2. Accounting policies (continued)

2.4 Investment properties

Investment properties are carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Freehold investment properties include properties where the original leasehold period is for a period of 999 years.

2.5 Stocks

Stock consists of properties for resale and are valued at the lower of cost or net realisable value.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Notes to the Financial Statements
For the Year Ended 31 October 2017**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Tenants Deposits are shown as creditors due after one year as the Directors believe that, based on past experience, refundable deposits are repaid to departing tenants from deposits received from new tenants and that there is no monetary loss to the company. The refundable tenants deposits are secured by a government approved insurance scheme.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

Mayflower Manhattan Limited

Notes to the Financial Statements
For the Year Ended 31 October 2017

4. Deferred taxation

	2017 £	2016 £
At beginning of year	658,895	357,952
Charged to profit or loss	-	300,943
At end of year	658,895	658,895

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Deferred tax on revaluation of investment properties	658,895	658,895

5. Tangible fixed assets

	Fixtures & fittings £
Cost or valuation	
At 1 November 2016	67,489
At 31 October 2017	67,489
Depreciation	
At 1 November 2016	67,182
Charge for the year on owned assets	77
At 31 October 2017	67,259
Net book value	
At 31 October 2017	230
At 31 October 2016	307

Mayflower Manhattan Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2017**

6. Investment properties

	Freehold and leasehold investment properties £
Valuation	
At 1 November 2016	5,044,264
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At 31 October 2017	5,044,264
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The 2017 valuations were made by the directors, on an open market value for existing use basis.

The historical cost of the investment properties included at valuation was: £566,185 (2016 - £566,185).

7. Debtors

	2017 £	2016 £
Trade debtors	56,752	19,789
Other debtors	28,041	33,790
	<hr/>	<hr/>
	84,793	53,579
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8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	543,381	763,698
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Mayflower Manhattan Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2017**

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Pension fund loan	45,000	128,000
Trade creditors	83,530	56,267
Corporation tax	35,368	49,312
Other taxation and social security	3,464	1,379
Other creditors	54,248	68,234
Accruals and deferred income	49,170	50,771
	<u>270,780</u>	<u>353,963</u>

10. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Pension fund loan	144,853	131,724
Refundable deposits	83,349	53,819
Amounts owed to parent company	42	42
	<u>228,244</u>	<u>185,585</u>

Secured loans

The Pension Fund loan is secured over a property with a book value of £1,354,532 which is included in property for resale and bears interest at 3% pa and repayable over four years.

11. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Pension fund loan	45,000	128,000
Amounts falling due 1-2 years		
Pension fund loan	64,000	64,000
Amounts falling due 2-5 years		
Pension fund loan	80,853	67,724
Refundable deposits	83,349	53,819
	<u>273,202</u>	<u>313,543</u>

Mayflower Manhattan Limited

Notes to the Financial Statements For the Year Ended 31 October 2017

12. Share capital

	2017 £	2016 £
Authorised		
250,000 Ordinary shares shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares shares of £1 each	<u>50,000</u>	<u>50,000</u>

13. Reserves

Investment property revaluation reserve

The investment property revaluation reserve is a special non-distributable reserve and consists of unrealised investment property fair valuation adjustments and related deferred tax charges transferred from the profit and loss account.

Profit and loss account

The profit and loss account consists of cumulative undistributed reserves. Non-distributable reserves are transferred from the profit & loss account to their own reserve.

14. Funds held on behalf of third parties

	2017 £	2016 £
Cash on deposit held in trust	225,000	-
Receipts from third parties held in trust	<u>225,000</u>	<u>-</u>

15. Related party transactions

During the year, the company paid rent of £Nil (2016 - £30,000) to Mr N C Grimshaw, who is a director of the company.

The company was charged £4,250 (2016 - £4,100) by Mr C Morgan for professional services provided during the year.

The amount of £41,098 (2016 - £7,590) due by the company to Mr Grimshaw at 31 October 2017 will be repaid by the company within one year and has been included in "Creditors falling due within one year". The highest amount due to him during the year was £41,098 (2016 - £34,335).

During the year ended 31 October 2014 the company received a loan of £320,000 from The Midsummer

Estates Executive Pension Scheme which is disclosed in note 9 and 10. Mr N C Grimshaw is a beneficiary of the Pension Scheme. The loan is payable in equal annual installments over four years with interest being charged annually at 3%.

**Notes to the Financial Statements
For the Year Ended 31 October 2017**

16. Controlling party

The company's parent undertaking is Midsummer Holdings Limited which is incorporated in England and Wales. Financial Statements for Midsummer Holdings Limited can be obtained from the Registrar of Companies, Crown Way, Cardiff, CF4 3UZ.

The ultimate controlling party is Mr N.C. Grimshaw by virtue of his ownership of the issued share capital of the parent company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.