Registered number: 01520231

Mayflower Manhattan Limited

Unaudited

Annual Report and Financial Statements

Information for filing with the registrar

For the Year Ended 31 October 2018

Mayflower Manhattan Limited

Chairman's Statement
For the Year Ended 31 October 2018

The chairman presents his statement for the period.

Review:

2018 was a quiet year in terms of construction. The company has adopted a cautious strategy in the face of uncertainty relating to the outcome of the UK leaving the European Union. As well as the general state of the economy, there is a particular concern about the effect on the construction industry. Skilled building trades from the EU make up the majority of the construction workforce on new buildings in London and the Home Counties and already are no longer available in sufficient numbers. Nonetheless, we have been active in advancing plans for high quality new homes (i) at the more affordable level and (ii) in areas where demand is most needed.

The company extended its record of making a profit every year since incorporation, now nearly 40 years ago. Pre-tax profits rose to £ 203,488 (2017: £179,872).

Economy:

The UK economy performed satisfactorily during 2018 in terms of economic growth and employment. However, in recent months, there has been a perceptible deferral of investment plans pending clarification of what form Brexit will take. Divergent views subsist but hopefully a broad middle ground will emerge with, as seems increasingly likely, an extension to the triggering of Article 50. A second referendum should be a last resort but, if it does come to pass, it is now more clearly understood how damaging economically a 'no deal' outcome would be, both in the short and long term.

Preview:

As the Brexit process continues to roll on, more business leaders need to speak up and set aside a natural corporate disinclination to get involved with politics. It seems that Conservative MPs may no longer be relied upon to be pro-business. Those in a public position with the ability to foresee the outcome wrought by a 'hard' or 'no-deal' Brexit have a duty to describe it. Big companies have largely failed to warn properly about the likely perils. Most rely on the CBI, which has issued largely bland statements backing the Prime Minister's deal and has been insufficiently authoritative about the effects - good, bad or indifferent - of a 'no-deal' Brexit.

For all her unpopularity, the Prime Minister deserves some credit for the central aim of her approach to Brexit. It has been to deliver on the result of the 2016 referendum that was poorly conducted by both sides while minimising the economic damage from doing so. The UK entered the EU in the early 1970s as the 'Sick man of Europe'. After 40 years, it had become the fifth largest economy in the world. Theresa May's broader strategy of trying to stay as close as possible to the EU while respecting the referendum result has made sense.

a) EU membership, and in particular the single market, has been a significant factor in increasing the openness of the British economy; a key ingredient of our growth and competitiveness. In the past half-century, for most of which it has been in the EU, Britain's exports have grown from 11% to 30% of gross domestic product. That openness increased with the creation of the single market in 1993. The volume of Britain's goods exports to the EU has grown by more than a quarter over the past 20 years, a period that included the deepest post-war recession and a separate Eurozone recession. Exports of services to the EU have grown twice as rapidly in recent years as those of goods.

b) The contention that the single market is unnecessary because some countries outside it have seen faster growth in exports to the EU than Britain is unsound. Britain had a high level of trade integration with the rest of the EU before the single market came into being, while others started from a low base. The single market, by creating a single set of standards across a market of more than 500m people, was always intended to facilitate two-way trade. For a US or Chinese exporter to Europe it has meant the same product standards, not 28 different ones. That is also true of exports from the EU. The creators of the single market, most obviously Margaret Thatcher, as the political force behind it, and Lord Cockfield, the British European commissioner responsible for its implementation, clearly saw one of its purposes as providing a stronger platform for exports to the rest of the world. Tie that to the trade deals negotiated by the EU, and roughly four-fifths of Britain's exports are covered either by the single market or by EU trade deals.

Chairman's Statement
For the Year Ended 31 October 2018

c) Exports to the rapidly growing emerging world have, of course, increased more rapidly in recent years. However, the surprise for Britain is that they have not done so by more. Even now, Britain sells more goods to Ireland than to China and Brazil combined. Even in a world that is increasingly linked electronically, distance still matters.

d) The openness afforded by EU membership, together with Britain's flexible labour market and relatively deregulated economy, has made Britain a magnet for inward investment since 1973.

Voters in June 2016 were oblivious of much of this. For its part, the EU may now have a clearer understanding of the UK's legitimate concerns. Its high levels of immigration - from the Commonwealth as well as Europe and the common refugee crisis arising from the war-torn Middle East - requires a differing treatment of free movement of labour for the UK by the EU.

Conclusion:

The company is committed to providing high quality homes, uplifting environments and good investments for clients. Although it may still take time for clarity on Brexit to be achieved, the fundamentals of the housing market in the UK remain strong. There is a growing population, people are living longer and an increase in the proportion of single person households gives rise to a need for more homes. These factors add to a shortage of housing stock whereby demand continues to outpace supply.

Name Nigel Grimshaw

Chairman

Date 3 May 2019

Directors' Report
For the Year Ended 31 October 2018

The Directors present their report and the financial statements for the year ended 31 October 2018.

Principal activity and review of business

The Company's principal activity continued to be that of developing properties.

The Company was conferred the status of an approved body by the Secretary of State in 1983 (SI 1983/840), since when it has sought to support the government's housing policy objectives in the private sector.

Directors

The Directors who served during the year were:

N C Grimshaw MA (Cantab)
C G Morgan FCA, CA (S.A.)
J E C Hiscocks BA, RIBA (resigned 20 September 2018)

Neither Mr C G Morgan nor Mr J E C Hiscocks have any interest in the shares of the Company. Mr Grimshaw owns one share in the Company at both the beginning and end of the year. Mr Grimshaw' interests in the parent company are disclosed in the financial statements of that company.

Charitable contributions

£2,000 was given to local Cambridge charities during the year. There were no political donations made.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 May 2019 and signed on its behalf.

N C Grimshaw MA (Cantab)
Director

Mayflower Manhattan Limited
Registered number: 01520231

Statement of Financial Position
As at 31 October 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	4		172		230
Investment properties	5		5,044,264		5,044,264
			5,044,436		5,044,494
Current assets					
Stocks: properties for resale		2,538,002		2,654,331	
Debtors: amounts falling due within one year	6	354,020		84,793	
Cash at bank and in hand	7	472,926		543,381	
		3,364,948		3,282,505	
Creditors: amounts falling due within one year	8	(258,899)		(270,780)	
Net current assets			3,106,049		3,011,725
Total assets less current liabilities			8,150,485		8,056,219
Creditors: amounts falling due after more than one year	9		(158,006)		(228,244)
Provisions for liabilities					
Deferred tax	11	(639,128)		(658,895)	
			(639,128)		(658,895)
Net assets			7,353,351		7,169,080
Capital and reserves					
Called up share capital	12		50,000		50,000
Investment property revaluation reserve	13		3,890,689		3,870,922
Profit and loss account	13		3,412,662		3,248,158
			7,353,351		7,169,080

Statement of Financial Position (continued)
As at 31 October 2018

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 3 May 2019.

N C Grimshaw MA (Cantab)
Director

The notes on pages 6 to 12 form part of these financial statements.

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.

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 2.5.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is recognised by the group in respect of rents receivable.

2.4 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.

2. Accounting policies (continued)

2.5 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.

2.6 Stocks

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

2.7 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.

2.8 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.

2.9 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

2. Accounting policies (continued)

2.10 Current and deferred taxation (continued)

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.

2.11 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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 3 *(2017 - 3)*.

Notes to the Financial Statements
For the Year Ended 31 October 2018

4. Tangible fixed assets

	Fixtures & fittings
	£
Cost or valuation	
At 1 November 2017	**67,489**
At 31 October 2018	**67,489**
Depreciation	
At 1 November 2017	**67,259**
Charge for the year on owned assets	**58**
At 31 October 2018	**67,317**
Net book value	
At 31 October 2018	**172**
At 31 October 2017	*230*

5. Investment properties

	Freehold and leasehold investment properties
	£
Valuation	
At 1 November 2017	**5,044,264**
At 31 October 2018	**5,044,264**

The 2018 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 (2017 - £566,185).

Notes to the Financial Statements
For the Year Ended 31 October 2018

6. Debtors

	2018 £	2017 £
Trade debtors	58,116	56,752
Pension fund	292,977	-
Other debtors	2,927	28,041
	354,020	84,793

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	472,926	543,381

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Pension fund loan	45,000	45,000
Trade creditors	32,625	83,530
Corporation tax	38,951	35,368
Other taxation and social security	2,974	3,464
Other creditors	92,014	54,248
Accruals and deferred income	47,335	49,170
	258,899	270,780

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

	2018 £	2017 £
Pension fund loan	78,183	144,853
Refundable deposits	79,781	83,349
Amounts owed to parent company	42	42
	158,006	228,244

Secured loans

The Pension Fund loan is secured over property with a book value of £1,525,274 which is included in property for resale and bears interest at 3% pa and repayable over four years.

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	*2017 £*
Amounts falling due within one year		
Pension fund loan	**45,000**	*45,000*
Amounts falling due 1-2 years		
Pension fund loan	**64,000**	*64,000*
Amounts falling due 2-5 years		
Pension fund loan	**14,183**	*80,853*
Refundable deposits	**79,781**	*83,349*
	202,964	*273,202*

11. Deferred taxation

	2018 £	*2017 £*
At beginning of year	**658,895**	*658,895*
Charged to profit or loss	**(19,767)**	*-*
At end of year	**639,128**	*658,895*

The provision for deferred taxation is made up as follows:

	2018 £	*2017 £*
Deferred tax on revaluation of investment properties	**639,128**	*658,895*

12. Share capital

	2018 £	*2017 £*
Allotted, called up and fully paid		
50,000 *(2017 - 50,000)* Ordinary shares shares of £1.00 each	**50,000**	*50,000*

Notes to the Financial Statements
For the Year Ended 31 October 2018

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 transfered 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 and loss account to their own reserve.

14. Funds held on behalf of third parties

	2018	*2017*
	£	*£*
Cash on deposit held in trust	**225,000**	*225,000*
Receipts from third parties held in trust	**225,000**	*225,000*

15. Related party transactions

The Company was charged £5,000 (2017 - £4,250) by Mr C Morgan for professional services provided during the year.

The amount of £73,596 (2017 - £41,098) due by the Company to Mr Grimshaw at 31 October 2018 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 £73,596 (2017 - £41,098).

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 8 and 9. 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%.

During the current year, the Company incurred costs of £292,977 on behalf of The Midsummer Estates Executive Pension Scheme, which are disclosed in note 6 as due to the Company at the balance sheet date.

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.

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