

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2019
for
MFC Estates plc and subsidiary
companies**



Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor, Bury House
31 Bury Street
London
EC3A 5AR

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for the Year Ended 31 March 2019**

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**MFC Estates plc and subsidiary
companies**

**Company Information
for the Year Ended 31 March 2019**

DIRECTORS:

P L Murphy
M P Petersen
M Slane

SECRETARY:

M M Slane

REGISTERED OFFICE:

1st Floor
Winston House
2 Dollis Park
London
N3 1HF

REGISTERED NUMBER:

01079839 (England and Wales)

AUDITORS:

Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor, Bury House
31 Bury Street
London
EC3A 5AR

**MFC Estates plc and subsidiary
companies (Registered number: 01079839)**


**Chairman's Report
for the Year Ended 31 March 2019**

I am pleased to say that we are improving on all fronts with solid growth in rental income which is continuing in the current year. Stamp duty continues to have its dangerous effects on the entire market place, despite this I am pleased to report that we have achieved over £20 million in sales to date at our Clementine Court development.

P L Murphy

Date:

19th Sept 2019



**Group Strategic Report
for the Year Ended 31 March 2019**

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

REVIEW OF BUSINESS

The group acquires properties for both investment and development opportunities. Its portfolio is located primarily in North London, South and South East England. It seeks to maximise rental income through a combination of direct management by its commercial property staff and expenditure on improvements to attract or retain tenants.

Where opportunities arise, the group obtains planning consents for development of properties in its portfolio and directly manages the development process employing specialist professionals and building contractors.

The group's rental income has continued to grow with significant contributions from the Travelodge hotel at Winston House, Finchley, improvements in office rents at both Winston House and Balfour House in North Finchley and increased industrial rents at Wilments Shipyard. Further growth in rental income is expected in the financial year 2020 and beyond. Sales at the luxury apartment development, Clementine Court, in the rear wing of Winston House were £7.1m in the year.

PRINCIPAL RISKS AND UNCERTAINTIES

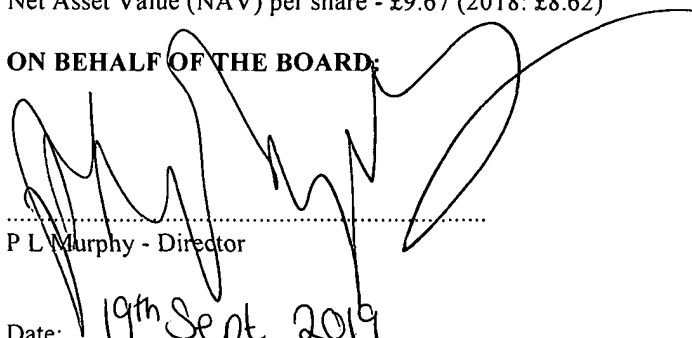
Funding is a key issue for property companies and the group's policy is to establish and maintain relations with major providers of commercial property finance. The group has substantial facilities with NatWest Bank plc for Winston House and other commercial properties, while United Trust Bank plc is providing development finance for the luxury apartments at Clementine Court.

KEY PERFORMANCE INDICATORS

Group Net Assets - £29.02m (2018: £25.85m)

Net Asset Value (NAV) per share - £9.67 (2018: £8.62)

ON BEHALF OF THE BOARD:



.....
P L Murphy - Director

Date:

19th Sept 2019

**Report of the Directors
for the Year Ended 31 March 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of property development, trading and investment, and the provision of management services to related entities.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

DIRECTORS

The directors during the year under review were:

P L Murphy
M P Petersen
M Slane

The beneficial interests of the directors holding office on 31 March 2019 in the issued share capital of the company were as follows:

	31.3.19	1.4.18
Ordinary £1 shares		
P L Murphy	2,820,000	2,820,000
M P Petersen	180,000	180,000
M Slane	-	-

The beneficial interest of the director, P L Murphy, includes the beneficial interest of his wife.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In common with every other business, the group seeks to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit forecasts, regular monitoring of actual performance, and ensuring that adequate financial facilities are in place to meet the requirements of the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 company and the group 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 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 company will continue in business.

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

MFC Estates plc and subsidiary
companies (Registered number: 01079839)

**Report of the Directors
for the Year Ended 31 March 2019**

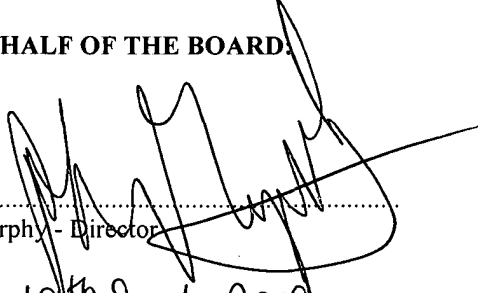
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Elliotts Shah, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD.


.....
P L Murphy - Director

Date:

19th Sept 2019

**Report of the Independent Auditors to the Members of
MFC Estates plc and subsidiary
companies**

Opinion

We have audited the financial statements of MFC Estates plc and subsidiary companies (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement 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 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 group's and of the parent company affairs as at 31 March 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 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 directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors 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.

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.

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

**Report of the Independent Auditors to the Members of
MFC Estates plc and subsidiary
companies**

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 Group Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Manoj Haria (Senior Statutory Auditor)
for and on behalf of Elliotts Shah
Statutory Auditor
Chartered Accountants
Ground Floor, Bury House
31 Bury Street
London
EC3A 5AR

Date: 23/9/19

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 March 2019**

	Notes	2019 £	2018 £
TURNOVER	3	10,930,789	16,935,763
Cost of sales		<u>5,422,367</u>	<u>9,291,180</u>
GROSS PROFIT		5,508,422	7,644,583
Property selling costs		144,377	252,240
Administrative expenses		<u>1,285,889</u>	<u>848,523</u>
		<u>1,430,266</u>	<u>1,100,763</u>
		4,078,156	6,543,820
Other operating income		<u>447,806</u>	<u>488,032</u>
OPERATING PROFIT	5	4,525,962	7,031,852
Joint property participants' share of losses / (profits)	6	(76,925)	7,974
Profit on sale of investment properties	6	<u>415,694</u>	<u>-</u>
		4,864,731	7,039,826
Interest receivable and similar income	7	<u>-</u>	<u>211</u>
		4,864,731	7,040,037
Interest payable and similar expenses	8	<u>1,907,674</u>	<u>2,581,977</u>
PROFIT BEFORE TAXATION		2,957,057	4,458,060
Tax on profit	9	<u>(212,321)</u>	<u>151,220</u>
PROFIT FOR THE FINANCIAL YEAR		3,169,378	4,306,840
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,169,378</u></u>	<u><u>4,306,840</u></u>
Profit attributable to: Owners of the parent		<u><u>3,169,378</u></u>	<u><u>4,306,840</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>3,169,378</u></u>	<u><u>4,306,840</u></u>

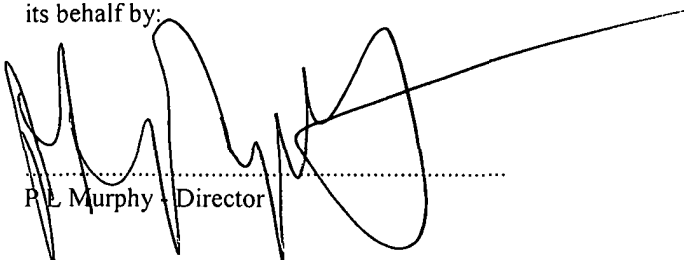
The notes form part of these financial statements

**MFC Estates plc and subsidiary
companies (Registered number: 01079839)**

**Consolidated Balance Sheet
31 March 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	-	-
Investments	13	2,323,242	2,056,000
Investment properties	14	<u>43,087,362</u>	<u>43,285,239</u>
		45,410,604	45,341,239
CURRENT ASSETS			
Stocks	15	26,182,868	27,227,539
Debtors	16	3,969,163	5,086,114
Cash at bank and in hand		<u>1,526,830</u>	<u>1,261,178</u>
		31,678,861	33,574,831
CREDITORS			
Amounts falling due within one year	17	<u>11,059,163</u>	<u>18,515,512</u>
NET CURRENT ASSETS		<u>20,619,698</u>	<u>15,059,319</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		66,030,302	60,400,558
CREDITORS			
Amounts falling due after more than one year	18	(36,618,682)	(34,205,316)
PROVISIONS FOR LIABILITIES	20	<u>(389,000)</u>	<u>(342,000)</u>
NET ASSETS		<u>29,022,620</u>	<u>25,853,242</u>
CAPITAL AND RESERVES			
Called up share capital	21	3,000,000	3,000,000
Share premium	22	12,500	12,500
Retained earnings	22	<u>26,010,021</u>	<u>22,840,643</u>
SHAREHOLDERS' FUNDS		29,022,521	25,853,143
NON-CONTROLLING INTERESTS	23	<u>99</u>	<u>99</u>
TOTAL EQUITY		<u>29,022,620</u>	<u>25,853,242</u>

The financial statements were approved by the Board of Directors on 19th Sept 2019 and were signed on its behalf by:


P. L. Murphy Director

The notes form part of these financial statements

Company Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Investments	13	30,347,735	28,930,108
		<u>30,347,735</u>	<u>28,930,108</u>
CURRENT ASSETS			
Stocks	15	17,512,726	21,701,653
Debtors	16	10,277,139	15,196,198
Cash at bank		<u>634,685</u>	<u>445,647</u>
		28,424,550	37,343,498
CREDITORS			
Amounts falling due within one year	17	<u>19,069,238</u>	<u>30,133,301</u>
NET CURRENT ASSETS		<u>9,355,312</u>	<u>7,210,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		39,703,047	36,140,305
CREDITORS			
Amounts falling due after more than one year	18	(7,796,861)	(5,777,841)
PROVISIONS FOR LIABILITIES	20	<u>(103,000)</u>	<u>(379,000)</u>
NET ASSETS		<u>31,803,186</u>	<u>29,983,464</u>
CAPITAL AND RESERVES			
Called up share capital	21	3,000,000	3,000,000
Share premium	22	12,500	12,500
Retained earnings	22	<u>28,790,686</u>	<u>26,970,964</u>
SHAREHOLDERS' FUNDS		<u>31,803,186</u>	<u>29,983,464</u>
Company's profit for the financial year		<u>1,819,722</u>	<u>895,595</u>

The financial statements were approved by the Board of Directors on its behalf by:

19th Sept 2019 and were signed on

P L Murphy - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2017	3,000,000	18,533,803	12,500
Changes in equity			
Total comprehensive income	-	4,306,840	-
Balance at 31 March 2018	<u>3,000,000</u>	<u>22,840,643</u>	<u>12,500</u>
Changes in equity			
Total comprehensive income	-	3,169,378	-
Balance at 31 March 2019	<u>3,000,000</u>	<u>26,010,021</u>	<u>12,500</u>
	Total £	Non-controlling interests £	Total equity £
Balance at 1 April 2017	21,546,303	99	21,546,402
Changes in equity			
Total comprehensive income	4,306,840	-	4,306,840
Balance at 31 March 2018	<u>25,853,143</u>	<u>99</u>	<u>25,853,242</u>
Changes in equity			
Total comprehensive income	3,169,378	-	3,169,378
Balance at 31 March 2019	<u>29,022,521</u>	<u>99</u>	<u>29,022,620</u>

**Company Statement of Changes in Equity
for the Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	3,000,000	26,075,369	12,500	29,087,869
Changes in equity				
Total comprehensive income	-	895,595	-	895,595
Balance at 31 March 2018	<u>3,000,000</u>	<u>26,970,964</u>	<u>12,500</u>	<u>29,983,464</u>
Changes in equity				
Total comprehensive income	-	1,819,722	-	1,819,722
Balance at 31 March 2019	<u>3,000,000</u>	<u>28,790,686</u>	<u>12,500</u>	<u>31,803,186</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	27	3,880,518	3,121,014
Interest paid		(1,569,219)	(1,598,350)
Finance costs paid		(190,470)	(1,224,737)
Tax paid		-	(48,384)
Net cash from operating activities		<u>2,120,829</u>	<u>249,543</u>
Cash flows from investing activities			
Purchase of investment properties		(902,227)	(1,056,328)
Sale of investment properties		1,350,000	-
Interest received		-	211
Net cash from investing activities		<u>447,773</u>	<u>(1,056,117)</u>
Cash flows from financing activities			
New loans in year		22,775,000	30,602,178
Loan repayments in year		(25,042,556)	(29,257,359)
Net cash from financing activities		<u>(2,267,556)</u>	<u>1,344,819</u>
Increase in cash and cash equivalents		<u>301,046</u>	<u>538,245</u>
Cash and cash equivalents at beginning of year	28	<u>1,225,784</u>	<u>687,539</u>
Cash and cash equivalents at end of year	28	<u><u>1,526,830</u></u>	<u><u>1,225,784</u></u>

MFC Estates plc and subsidiary companies is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

After considering the group's prospects and subject to continuing support from the group's lenders, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

In preparing the financial statements, estimates and judgements are made about the carrying values of assets and liabilities. Estimates and judgements are continually reviewed and are based on factors such as historical experience and other factors that are considered to be relevant.

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2019.

Turnover represents sales of properties held as trading stock where unconditional exchange has taken place prior to the balance sheet date, rents and service charge receivable relating to the year, and management fees receivable for the year, all excluding value added tax.

Goodwill arising on the acquisition of subsidiary undertakings, representing an excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful life which is estimated to be ten years. Provision is made for any impairment.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & eqpt - Straight line over 3 years

Investment property is included at fair value as determined by the directors with reference to independent valuations where they have been carried out. Revaluation surpluses or deficits are recognised in the income statement. Deferred tax is provided on those gains at the rate expected to apply when the property is sold.

Stocks are valued at the lower of cost and net realisable value.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates an independently administered defined contribution pension schemes on behalf of a director and some employees. There is a self administered scheme in respect of the director, P L Murphy. Contributions payable to the group's pension schemes are charged to the profit and loss account in the period to which they relate.

Fixed asset investments

Fixed asset investments are stated at share of net assets in respect of shares in and loans to subsidiaries and other unlisted investments, less any provision for diminution in value.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Sales of properties	7,062,056	13,289,912
Rents and service charges	3,811,890	3,602,504
Management fees receivable	56,843	43,347
	<u>10,930,789</u>	<u>16,935,763</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

4. EMPLOYEES AND DIRECTORS

The total employment costs for employees and directors was:

	2019	2018
	£	£
Wages and salaries	536,463	490,171
Social security costs	61,207	60,166
Pension contributions	<u>3,032</u>	<u>2,829</u>
	<u>600,702</u>	<u>553,166</u>

The average monthly number of employees during the year was as follows:

	2019	2018
Office and management	<u>11</u>	<u>12</u>

	2019	2018
	£	£
Directors' remuneration	<u>54,813</u>	<u>49,223</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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5. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Goodwill amortisation	-	21,809
Auditors' remuneration	<u>50,100</u>	<u>48,750</u>

The operating profit is stated after crediting:

	2019	2018
	£	£
Increase in fair value of investment properties	249,896	570,957
Increase in fair value of unlisted investment	<u>267,242</u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

6. EXCEPTIONAL ITEMS

	2019 £	2018 £
Joint property participants' share of losses / (profits)	(76,925)	7,974
Profit on sale of investment properties	<u>415,694</u>	<u>-</u>
	<u><u>338,769</u></u>	<u><u>7,974</u></u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	2018 £
Bank interest received	<u>-</u>	<u>211</u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank loans and overdrafts	1,271,992	1,530,469
Other interest payable	214,525	172,653
Interest on overdue tax	-	229
Costs of finance	<u>421,157</u>	<u>878,626</u>
	<u><u>1,907,674</u></u>	<u><u>2,581,977</u></u>

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	-	259,321
Adjustments for prior years	<u>(259,321)</u>	<u>(28,101)</u>
Total current tax	<u>(259,321)</u>	<u>231,220</u>
Deferred tax	<u>47,000</u>	<u>(80,000)</u>
Tax on profit	<u><u>(212,321)</u></u>	<u><u>151,220</u></u>

UK corporation tax has been charged at 19% (2018 - 19%).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

9. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>2,957,057</u>	<u>4,458,060</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	561,841	847,031
Effects of:		
Expenses not deductible for tax purposes	13,676	11,305
Capital allowances in excess of depreciation	(99,854)	(92,924)
Utilisation of tax losses	(234,164)	(109,978)
Adjustments to tax charge in respect of previous periods	(259,321)	(28,101)
Fair value adjustments	(93,417)	(108,482)
Deferred tax	47,000	(80,000)
Other tax adjustments	<u>(148,082)</u>	<u>(287,631)</u>
Total tax (credit)/charge	<u>(212,321)</u>	<u>151,220</u>

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 April 2018
and 31 March 2019

275,471

AMORTISATION

At 1 April 2018
and 31 March 2019

275,471

NET BOOK VALUE

At 31 March 2019

-

At 31 March 2018

-

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

12. TANGIBLE FIXED ASSETS

Group

	Fixtures, fittings & eqpt £
COST	
At 1 April 2018	
and 31 March 2019	<u>8,276</u>
DEPRECIATION	
At 1 April 2018	
and 31 March 2019	<u>8,276</u>
NET BOOK VALUE	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>-</u>

13. FIXED ASSET INVESTMENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Shares in group undertakings	-	-	27,676,556	26,526,171
Loans to group undertakings	-	-	347,937	347,937
Unlisted investments	<u>2,323,242</u>	<u>2,056,000</u>	<u>2,323,242</u>	<u>2,056,000</u>
	<u>2,323,242</u>	<u>2,056,000</u>	<u>30,347,735</u>	<u>28,930,108</u>

Additional information is as follows:

Group

	Unlisted investments £
COST	
At 1 April 2018	2,056,000
Revaluations	<u>267,242</u>
At 31 March 2019	<u>2,323,242</u>
NET BOOK VALUE	
At 31 March 2019	<u>2,323,242</u>
At 31 March 2018	<u>2,056,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

13. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 April 2018	26,526,171	2,056,000	28,582,171
Revaluations	<u>1,150,385</u>	<u>267,242</u>	<u>1,417,627</u>
At 31 March 2019	<u>27,676,556</u>	<u>2,323,242</u>	<u>29,999,798</u>
NET BOOK VALUE			
At 31 March 2019	<u>27,676,556</u>	<u>2,323,242</u>	<u>29,999,798</u>
At 31 March 2018	<u>26,526,171</u>	<u>2,056,000</u>	<u>28,582,171</u>

Company

	Loans to group undertakings £
At 1 April 2018 and 31 March 2019	<u>347,937</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

13. FIXED ASSET INVESTMENTS - continued

MFC Estates plc holds the following direct and indirect interests in the equity capital of the undertakings indicated below:

Name of company	Country of registration	Holdings	Proportion held
Trading companies			
Clementine Court Limited	England	Ordinary shares	100%
Chilcomb Limited	England	Ordinary shares	100%
Cyclomatic Limited	England	Ordinary shares	100%
Finchley Developments C & G No 2 Limited	England	Ordinary shares	100%
Investment companies			
Anglo-European Developments GB Limited	England	Ordinary shares	100%
Bourne End Business Centre Limited	England	Ordinary shares	100%
Finchley Developments C & G Limited	England	Ordinary shares	100%
Pressmile Limited	England	Ordinary shares	100%
Reedrent Limited	England	Ordinary shares	100%
Dormant and nominee companies			
Bremysyde Properties Limited	England	Ordinary shares	100%
Cavendish Land Managers Fund Limited	England	Ordinary shares	100%
C&G Finchley Limited	England	Ordinary shares	100%
J.W. Colman Estate Company Limited	England	Ordinary shares	100%
Hallplex Limited	England	Ordinary shares	100%
Larkswell Limited	England	Ordinary shares	100%
Metropolitan Factory Conversions Limited	England	Ordinary shares	100%
Nova Holdings (Salisbury) Limited	England	Ordinary shares	100%
Novaview Properties Limited	England	Preference shares	99%
Sansprine Limited	England	Ordinary shares	100%
Stonetower Limited	England	Ordinary shares	100%
Tabman Limited	England	Ordinary shares	100%

The company also holds the following significant interest:

Other unquoted investments			
Cavendish & Gloucester Properties Limited	England	Ordinary shares	12.80%

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

14. INVESTMENT PROPERTIES

Group

	Total £
FAIR VALUE	
At 1 April 2018	43,285,239
Additions	902,227
Disposals	(1,350,000)
Revaluations	<u>249,896</u>
At 31 March 2019	<u>43,087,362</u>
NET BOOK VALUE	
At 31 March 2019	<u>43,087,362</u>
At 31 March 2018	<u>43,285,239</u>

The investment properties were revalued on a fair value basis by the directors of the group as at the year end. The historical cost of the investment properties is £28,888,920 (2018: £28,806,342).

15. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stock of properties	<u>26,182,868</u>	<u>27,227,539</u>	<u>17,512,726</u>	<u>21,701,653</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	760,542	778,030	452,088	506,228
Amounts owed by group undertakings	-	-	7,315,264	11,290,517
Other debtors	2,607,701	2,594,386	2,373,702	2,372,540
Amounts invested in joint property projects	84,995	155,359	84,995	155,359
Amount due from joint property participants	126,623	205,999	-	-
VAT	-	120,685	-	25,756
Prepayments and accrued income	<u>389,302</u>	<u>1,231,655</u>	<u>51,090</u>	<u>845,798</u>
	<u>3,969,163</u>	<u>5,086,114</u>	<u>10,277,139</u>	<u>15,196,198</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts (see note 19)	1,861,283	5,477,599	1,078,829	4,692,475
Other loans (see note 19)	-	1,100,000	-	1,100,000
Trade creditors	345,279	1,154,925	220,166	561,180
Amounts owed to group undertakings	-	-	13,180,437	17,196,428
Corporation tax	-	259,321	-	48,127
VAT	120,519	-	74,188	-
Other creditors	2,727,035	4,197,800	2,496,330	3,964,879
Amount owed to joint property participants	4,419,583	4,491,671	1,524,090	1,575,395
Accruals and deferred income	<u>1,585,464</u>	<u>1,834,196</u>	<u>495,198</u>	<u>994,817</u>
	<u>11,059,163</u>	<u>18,515,512</u>	<u>19,069,238</u>	<u>30,133,301</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans (see note 19)	31,768,682	30,455,316	6,696,861	5,777,841
Other loans (see note 19)	<u>4,850,000</u>	<u>3,750,000</u>	<u>1,100,000</u>	-
	<u>36,618,682</u>	<u>34,205,316</u>	<u>7,796,861</u>	<u>5,777,841</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year or on demand:				
Bank overdrafts	-	35,394	-	35,394
Bank loans	1,861,283	5,442,205	1,078,829	4,657,081
Loan from company pension scheme	-	1,100,000	-	1,100,000
	<u>1,861,283</u>	<u>6,577,599</u>	<u>1,078,829</u>	<u>5,792,475</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	22,340,685	1,447,492	218,139	200,368
Other loans	<u>3,750,000</u>	<u>3,750,000</u>	-	-
	<u>26,090,685</u>	<u>5,197,492</u>	<u>218,139</u>	<u>200,368</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	6,688,722	26,197,143	6,478,722	5,577,473
Loans from company pension scheme	<u>1,100,000</u>	-	<u>1,100,000</u>	-
	<u>7,788,722</u>	<u>26,197,143</u>	<u>7,578,722</u>	<u>5,577,473</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans due after more than five years not in instalments	<u>2,520,000</u>	<u>2,520,000</u>	-	-
	<u>2,520,000</u>	<u>2,520,000</u>	-	-
Repayable by instalments				
Bank loans due after more than 5 years	<u>219,275</u>	<u>290,681</u>	-	-
	<u>219,275</u>	<u>290,681</u>	-	-

The bank loans are secured by way of legal charges over properties owned by the group. Interest on the bank loan that is partly repayable after more than five years is at a rate of 2.5% plus LIBOR.

The other loans are secured on a property under development owned by the group.

The loan from the company pension scheme of £1,100,000 (2018: £1,100,000) bears interest of 2% above bank base rate.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>389,000</u>	<u>342,000</u>	<u>103,000</u>	<u>379,000</u>
Group				
				Deferred tax
				£
Balance at 1 April 2018				342,000
Charge to Statement of Comprehensive Income during year				<u>47,000</u>
Balance at 31 March 2019				<u>389,000</u>
Company				
				Deferred tax
				£
Balance at 1 April 2018				379,000
Credit to Statement of Comprehensive Income during year				<u>(276,000)</u>
Balance at 31 March 2019				<u>103,000</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
		£1	£	£
3,000,000	Ordinary		<u>3,000,000</u>	<u>3,000,000</u>

22. RESERVES

Group			
	Retained earnings	Share premium	Totals
	£	£	£
At 1 April 2018	22,840,643	12,500	22,853,143
Profit for the year	<u>3,169,378</u>		<u>3,169,378</u>
At 31 March 2019	<u>26,010,021</u>	<u>12,500</u>	<u>26,022,521</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

22. RESERVES - continued

Company

	Retained earnings £	Share premium £	Totals £
At 1 April 2018	26,970,964	12,500	26,983,464
Profit for the year	<u>1,819,722</u>		<u>1,819,722</u>
At 31 March 2019	<u>28,790,686</u>	<u>12,500</u>	<u>28,803,186</u>

23. NON-CONTROLLING INTERESTS

	£
At 1 April 2018 and 31 March 2019	<u>99</u>

24. PENSION COMMITMENTS

The group operates an independently administered defined contribution pension schemes on behalf of one director and some employees. There is a self administered scheme in respect of the director, P L Murphy. The total contributions made by the group during the year amounted to £3,032 (2018: £2,829).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

25. RELATED PARTY DISCLOSURES

(i) Included under other debtors are amounts due from the following related parties:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Enterprise Properties Limited	<u>2,372,465</u>	<u>2,372,465</u>	<u>2,372,465</u>	<u>2,372,465</u>

The amount due from Enterprise Properties Limited is unsecured and interest free. Enterprise Properties Limited is owned by P L Murphy and the P Murphy Children's Trust.

(ii) Included under other creditors for both the group and company is a sum of £1,913,060 (2018: £3,479,451) due to Cavendish & Gloucester Properties Limited. No interest has been charged on these balances which are unsecured. As stated in note 13, the company is interested in 12.80% of the issued share capital of Cavendish & Gloucester Properties Limited which is under the ultimate control of the director, P L Murphy.

(iii) Included under turnover are management fees receivable from the following related parties:

	Group		Company	
	2019	2018	2019	2018
Troutbourne LLP	23,408	14,623	23,408	14,623
Plaint Limited	<u>29,810</u>	<u>28,723</u>	<u>29,810</u>	<u>28,723</u>

Bourne End (Investments) Limited is a member of Troutbourne LLP. Both Bourne End (Investments) Limited and Plaint Limited are wholly owned subsidiaries of Enterprise Properties Limited.

(iv) Trade debtors for the group and company includes £350,000 (2018: £350,000) due from Drivers & Norris Limited in respect of management fees charged to that company in earlier years. Drivers & Norris Limited is under the control of P L Murphy by virtue of his beneficial interest in that company.

(v) Group turnover includes £74,206 (2018: £77,996) in respect of rents receivable from Roundpoll Limited. Roundpoll Limited is a wholly owned subsidiary of Cavendish & Gloucester Properties Limited.

(vi) Interest payable includes £27,025 (2018: £27,500) charged by The KCG Pension Fund, a self administered pension scheme, on a loan advanced to the company (see note 19). The loan bears interest of 2% above bank base rate. P L Murphy is a trustee and member of The KCG Pension Fund.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

(vii) Joint property participants' share of profits includes profits / (losses) attributable to the following related parties:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Mountheed Limited	(364)	267	-	642
M 25 Group Limited	1,161	(351)	1,180	(331)
P Murphy Children's Trust	15,306	39,151	15,344	39,190
Reachdrum Limited	<u>(52)</u>	<u>375</u>	<u>-</u>	<u>428</u>

Amounts due to related joint
property participants comprise the
following balances:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Mountheed Limited	877,300	879,111	-	1,447
M 25 Group Limited	96,810	95,649	50,849	49,669
P Murphy Children's Trust	752,757	777,451	661,036	685,692
Reachdrum Limited	<u>125,329</u>	<u>126,503</u>	<u>-</u>	<u>1,122</u>

Mountheed Limited is a wholly owned subsidiary of M 25 Group Limited, which in turn is a wholly owned subsidiary of Enterprise Properties Limited.

Reachdrum Limited is under the control of the director M Slane by virtue of his beneficial interest in that company.

(viii) The company is a participant in a joint property projects managed by Cavendish & Gloucester Properties Limited. At the balance sheet date the company had £84,995 invested in these projects (2018: £155,354 invested in two projects) and its share of losses for the year from these joint property projects was £69,707 (2018: £83,000).

26. **ULTIMATE CONTROLLING PARTY**

The company is under the control of the director, P L Murphy, by virtue of his beneficial interest in the company.

27. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit before taxation	2,957,057	4,458,060
Depreciation charges	-	21,809
Revaluation of investments	(517,138)	(570,957)
Finance costs	1,907,674	2,581,977
Finance income	<u>-</u>	<u>(211)</u>
	4,347,593	6,490,678
Decrease in stocks	1,044,671	200,248
Decrease in trade and other debtors	886,264	3,395,342
Decrease in trade and other creditors	<u>(2,398,010)</u>	<u>(6,965,254)</u>
Cash generated from operations	<u>3,880,518</u>	<u>3,121,014</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

28. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	1,526,830	1,261,178
Bank overdrafts	-	(35,394)
	<u>1,526,830</u>	<u>1,225,784</u>

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	1,261,178	687,539
Bank overdrafts	(35,394)	-
	<u>1,225,784</u>	<u>687,539</u>

29. CASH FLOW STATEMENT COMPARATIVE FIGURES

The comparative figures for cash generated from operations and finance costs paid have been amended to reflect £346,111 of finance costs carried forward as prepayments as at 31 March 2018.