

Registered number: 10720360

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

THURSDAY



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COMPANIES HOUSE

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

COMPANY INFORMATION

Directors

Ka Pong Chan (appointed 11 April 2017)
David Chiu (appointed 12 July 2017)
John Joseph Connolly (appointed 11 April 2017)
Cheong Thard Hoong (appointed 11 April 2017)
Gavin Anthony Taylor (appointed 11 April 2017)

Registered number

10720360

Registered office

Ground Floor
12 Stanhope Gate
London
W1K 1AW

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

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FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

The directors present their report and the audited financial statements for the period 11 April 2017 to 31 March 2018.

The company was incorporated on 11 April 2017 and these financial statements therefore represent the first period since incorporation.

Principal activity

The principal activity of the company in the period under review was that of development management.

FEC is engaged in a joint venture with Manchester City Council to redevelop and regenerate a 300 acre area of land known as Northern Gateway in Manchester.

Northern Gateway Development Limited is engaged to undertake development management functions of the regeneration project, which include the procurement of a Masterplan for the area, the appointment of consultants, the engagement of third party contractors, the development management and delivery of the individual development projects themselves and the management of development risk on its behalf.

Directors

The directors who served during the period and to the date of this report were:

Ka Pong Chan (appointed 11 April 2017)
David Chiu (appointed 12 July 2017)
John Joseph Connolly (appointed 11 April 2017)
Cheong Thard Hoong (appointed 11 April 2017)
Gavin Anthony Taylor (appointed 11 April 2017)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the audited 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 transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018

Principal risks and uncertainties

The company is exposed to typical commercial risks experienced by commercial organisations operating within the same competitive market of property development in the UK. The company seeks to mitigate these risks by focusing on providing quality buildings in locations with commercial and residential appeal.

Going concern

The company made a loss of £35,182 and has net liabilities of £35,181. Accordingly, the company is reliant upon support from its parents and the ultimate parent company, Far East Consortium International Limited, confirmed that they will continue to support FEC Northern Gateway Development Limited providing adequate financial assistance to enable the company to continue their business operations as a going concern for a period of at least 12 months from the date the financial statements are signed. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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 21 December 2018 and signed on its behalf.



Gavin Anthony Taylor
Director

Independent auditor's report to the members of FEC Northern Gateway Development Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of FEC Northern Gateway Development Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 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.

We have nothing to report in respect of these matters.

Other information

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

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 respect of these matters.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Steel (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

21 December 2018

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

	Note	For the period 11 April 2017 to 31 March 2018 £
Administrative expenses		(35,182)
Loss before tax		(35,182)
Tax on loss	6	-
Loss for the financial period		(35,182)

There were no recognised gains and losses for 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018.

The notes on pages 9 to 15 form part of these financial statements.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED
REGISTERED NUMBER: 10720360

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £
Fixed assets		
Investments	7	8
		<u>8</u>
Current assets		
Stocks	8	824,782
Debtors: amounts falling due within one year	9	5,026,729
		<u>5,851,511</u>
Creditors: amounts falling due within one year	10	(5,886,700)
Net current liabilities		<u>(35,189)</u>
Total assets less current liabilities		<u>(35,181)</u>
Net liabilities		<u><u>(35,181)</u></u>
Capital and reserves		
Called up share capital	11	1
Profit and loss account		(35,182)
		<u><u>(35,181)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities 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 21 December 2018.



Gavin Anthony Taylor
Director

The notes on pages 9 to 15 form part of these financial statements.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive loss for the period			
Loss for the period	-	(35,182)	(35,182)
	<u> </u>	<u> </u>	<u> </u>
Total comprehensive loss for the period	-	(35,182)	(35,182)
Shares issued during the period	1	-	1
	<u> </u>	<u> </u>	<u> </u>
Total transactions with owners	1	-	1
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	<u>1</u>	<u>(35,182)</u>	<u>(35,181)</u>

The notes on pages 9 to 15 form part of these financial statements.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018

1. General information

FEC Northern Gateway Development Limited is a private company, limited by shares, registered in England and Wales on 11 April 2017. The company's registered number and registered address can be found on the Company Information page.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Exemption from preparing consolidated financial statements

These financial statements present information about the company as an individual company and not about its group. The company is exempt under section 401 of the Companies Act 2006 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as its results are included in the consolidated financial statements of Far East Consortium International Limited listed in Hong-Kong.

2.4 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For the reason, they continue to adopt the going concern basis in preparing the annual financial statements. The company is reliant upon support from its parents and the ultimate parent company, Far East Consortium International Limited, confirmed that they will continue to support FEC Northern Gateway Development Limited providing adequate financial assistance to enable the company to continue their business operations as a going concern for a period of at least 12 months from the date the accounts are signed.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

2. Accounting policies (continued)

2.5 Investments

Investments in subsidiary undertakings are stated at purchase cost of acquisition (including any incidental costs of acquisition) together with the amount of long term loans advanced to those undertakings.

Where, in the opinion of the directors, there has been an impairment of the investments, appropriate provisions are made and charged to the income statement.

2.6 Stocks

Stocks represents work in progress for the properties under development. Stocks are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

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 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Financial instruments

Financial instrument and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of the financial assets or liabilities at fair value through the profit or loss are recognised immediately in the profit or loss account.

Loans and Receivables

Trade receivables, loans and other receivables that have a fixed and determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate except for short-term receivables when the recognition of interest would be immaterial.

Financial Liabilities

Financial liabilities, including borrowings, are measured at fair value, net of transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018****3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no critical judgements and estimates made in the preparation of the financial statements.

4. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	For the period 11 April 2017 to 31 March 2018 £
Fees for the audit of the Company	7,000
	<u>7,000</u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

6. Taxation

For the
period 11
April 2017
to
31 March
2018
£

Total current tax	-
Deferred tax	
Total deferred tax	-
Taxation on profit on ordinary activities	-

Deferred tax assets of £6,685 relating to unrelieved losses have not been recognised due to an uncertainty over the timing of profits which these losses may be offset.

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

For the
period 11
April 2017
to
31 March
2018
£

(Loss)/profit on ordinary activities before tax	(35,182)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(6,685)
Effects of:	
Unrelieved tax losses carried forward	6,685
Total tax charge for the period	-

Factors that may affect future tax charges

UK corporation tax rates are to reduce from 19% to 17% from 1 April 2020.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	8
At 31 March 2018	<u>8</u>
Net book value	
At 31 March 2018	<u><u>8</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Northern Gateway (FEC) No.1 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.2 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.3 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.4 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.5 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.6 Limited	England	Ordinary	100 %	Property development
Northern Gateway (FEC) No.7 Limited	England	Ordinary	100 %	Property development
Northern Gateway Operations Limited	England	Ordinary	100 %	Property development management

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

8. Stocks

	2018 £
Work in progress	824,782
	<u>824,782</u>

9. Debtors

	2018 £
Amounts owed by group undertakings	4,899,911
Tax recoverable	126,818
	<u>5,026,729</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are payable on demand.

10. Creditors: Amounts falling due within one year

	2018 £
Trade creditors	366,052
Amounts owed to group undertakings	5,513,648
Accruals and deferred income	7,000
	<u>5,886,700</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are payable on demand.

11. Share capital

	2018 £
Authorised, allotted, called up and fully paid	
1 Ordinary share of £1.00	<u>1</u>

1 Ordinary share at £1 was allocated and fully paid for cash at par during the period.

FEC NORTHERN GATEWAY DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 11 APRIL 2017 TO 31 MARCH 2018**

12. Controlling party

In the opinion of the directors, the company's immediate parent is FEC Northern Gateway Development Limited, a company incorporated in the UK and the company's ultimate parent company and ultimate controlling party is Far East Consortium International Limited (registered address: P O Box 1043, Whitehall House, 238 North Church Street, George Town, Grand Cayman, KY1-11-2, Cayman Islands). The smallest group in which the results of the company are consolidated is Far East Consortium Limited, a company incorporated in Hong Kong. Copies of the financial statements may be obtained from Far East Consortium Limited, 16/F., Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.