

MB Epsom Limited

Annual Report and Financial Statements

For the year ended 31 December 2017



Company Registration No. 09711087 (England and Wales)

MB Epsom Limited

Company Information

Directors	A Golebiowski L Lin G Walsh-Waring
Company number	09711087
Registered office	Devonshire House 60 Goswell Road London United Kingdom EC1M 7AD
Auditor	KPMG LLP 15 Canada Square London E14 5GL

MB Epsom Limited

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MB Epsom Limited

Directors' Report

For the year ended 31 December 2017

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

This report takes advantage of the small companies exemption contained within the 2006 Companies Act.

No political donations or contributions were made by the company during the accounting period.

Principal activities

The principal activity of the company is the acquisition of land, the building of residential property and subsequent sale of residential properties.

Directors

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

A Golebiowski
L Lin
G Walsh-Waring

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standards applicable in the UK and Republic of Ireland*.

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 of the profit or loss of the company 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

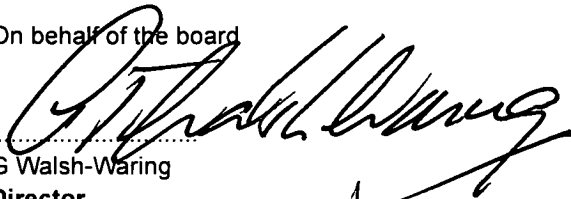
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to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

MB Epsom Limited

Directors' Report (Continued)

For the year ended 31 December 2017

On behalf of the board



G Walsh-Waring
Director

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23/10/18

MB Epsom Limited

Independent Auditor's Report

To the Members of MB Epsom Limited

Opinion

We have audited the financial statements of MB Epsom Limited (the "company") for the year ended 31 December 2017 which comprise the Income Statement, the Statement Of Financial Position, the Statement of Changes in Equity and related notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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 take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

MB Epsom Limited

Independent Auditor's Report (Continued)

To the Members of MB Epsom Limited

Responsibilities of directors

As explained more fully in their statement set out in the Directors' Responsibility Statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Richard Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, statutory auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

30 November 2018

MB Epsom Limited

Income Statement

For the year ended 31 December 2017

		Year ended 31 December 2017 £	Period ended 31 December 2016 £
	Notes		
Revenue	3	-	9,000,000
Cost of sales		55,159	(5,295,318)
Gross profit		55,159	3,704,682
Administrative expenses		(6,978)	(62,454)
Other operating income		-	(5,644)
Operating profit		48,181	3,636,584
Investment income	6	49,544	-
Finance costs	7	-	(93,377)
Profit before taxation		97,725	3,543,207
Taxation	8	(18,884)	(708,528)
Profit for the financial year/ period		78,841	2,834,679
Total comprehensive income for the year/ period		78,841	2,834,679

The notes on pages 8 to 14 form part of these financial statements.

The Income Statement has been prepared on the basis that all operations are continuing operations.

MB Epsom Limited

Statement of Financial Position

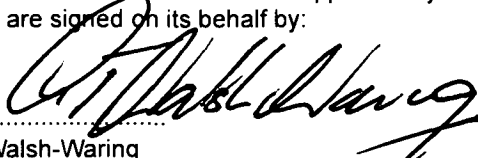
As at 31 December 2017

	Notes	£	2017 £	£	2016 £	£
Current assets						
Trade and other receivables	9	952,124			902,580	
Cash and cash equivalents		284,485			299,997	
		1,236,609			1,202,577	
Payables: amounts falling due within one year	10	(738,513)			(783,322)	
Net assets			498,096		419,255	
Equity						
Called up share capital	12		1		1	
Retained earnings			498,095		419,254	
Total equity			498,096		419,255	

The notes on pages 8 to 14 form part of these financial statements.

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

23/10/18


G Walsh-Waring
Director

Company Registration No. 09711087

MB Epsom Limited

Statement of Changes in Equity

For the year ended 31 December 2017

	Notes	Share capital £	Retained earnings £	Total £
Balance at 30 July 2015		-	-	-
Period ended 31 December 2016:				
Total comprehensive income for the period		-	2,834,679	2,834,679
Dividends	11	-	(5,455,425)	(5,455,425)
Issue of share capital	12	3,040,001	-	3,040,001
Redemption of shares	12	(3,040,000)	3,040,000	-
Balance at 31 December 2016		1	419,254	419,255
Year ended 31 December 2017:				
Total comprehensive income for the year		-	78,841	78,841
Balance at 31 December 2017		1	498,095	498,096

The notes on pages 8 to 14 form part of these financial statements.

MB Epsom Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Accounting policies

Company information

MB Epsom Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, United Kingdom, EC1M 7AD.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The comparative period results were for the period from incorporation 30 July 2015 to 31 December 2016.

1.2 Exemptions for qualifying entities under FRS 102

The company's ultimate parent undertaking, MBERP II (Luxembourg) 27 S.à.r.l., included the company in its consolidated financial statements. The consolidation financial statements of MBERP II (Luxembourg) 27 S.à.r.l. are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from www.mb27.info. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the followings:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period; and
- Cash flow statement and related notes, and
- Key management personnel compensation; and
- Basic financial instruments.

1.3 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The Company made profits in the current period and have net assets and sufficient funds to cover foreseeable liabilities. Based on this, the directors believe that it remains appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.4 Revenue

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

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

Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of the creditors due within one year.

1.5 Cash and cash equivalents

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

1.6 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Derecognition of financial liabilities

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

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.7 Equity instruments

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

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

3 Revenue

An analysis of the company's revenue is as follows:

	Year ended 2017 £	Period ended 2016 £
Revenue analysed by class of business		
Sale of land	-	9,000,000
	Year ended 2017 £	Period ended 2016 £
Revenue analysed by geographical market		
United Kingdom	-	9,000,000

4 Operating profit

	Year ended 2017 £	Period ended 2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees earned by the company's auditor for the audit of the company's financial statements	3,755	1,500
Investment management fees	-	43,091
Management fees - Associated company recharge	-	8,079

5 Employees

The average monthly number of persons employed by the company during the year was: nil (2016: nil).

6 Investment income

	Year ended 2017 £	Period ended 2016 £
Interest income		
Interest receivable from group companies	49,544	-

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

7 Finance costs

	Year ended 2017 £	Period ended 2016 £
Interest payable to group undertakings	-	91,996
Other interest payable	-	1,381
	<u>-</u>	<u>93,377</u>

8 Taxation

	Year ended 2017 £	Period ended 2016 £
Current tax charge		
Utilisation of group relief	18,884	708,528
	<u>18,884</u>	<u>708,528</u>

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

	Year ended 2017 £	Period ended 2016 £
Profit before taxation	97,725	3,543,207
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)</i>	18,812	708,641
Tax effect of expenses that are not deductible in determining taxable profit	72	20
Transfer pricing adjustment	-	(133)
Tax charge for the year	<u>18,884</u>	<u>708,528</u>

A reduction in the UK Corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, which will reduce the company's future current tax charge accordingly.

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

9 Trade and other receivables

	2017	2016
	£	£
Amounts falling due within one year:		
Amount due from associate undertakings	100,000	102,579
Amounts due from fellow group undertakings	852,123	800,000
Other receivables	1	1
	<u>952,124</u>	<u>902,580</u>

10 Payables: amounts falling due within one year

	2017	2016
	£	£
Amounts due to fellow group undertakings	727,413	708,529
Other taxation and social security	-	13,684
Other payables	-	55,109
Accruals and deferred income	11,100	6,000
	<u>738,513</u>	<u>783,322</u>

11 Dividends

	Year ended 2017	Period ended 2016
	£	£
Interim dividend paid	-	5,455,425

12 Share capital

	2017	2016
	£	£
Ordinary share capital		
1 Ordinary share of £1	1	1

13 Related party transactions

MB Epsom Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

13 Related party transactions

(Continued)

Transactions with related parties

In accordance with FRS102 section 33 paragraph 33.1A, the company has not disclosed transactions with wholly owned subsidiaries (or parent company) within the same group.

Management fees relate to recharges from Meyer Homes Limited in relation to the management costs incurred by the entity. The fees for the period amounted to £nil (2016: £8,079) and an amount of £100,000 (2016: £102,579) was owed from them.

14 Controlling party

The immediate parent company and controlling entity is MBERP II (Luxembourg) 27 S.à.r.l., a company incorporated in the Grand Duchy of Luxembourg (registered office 12C, Impasse Drosbach, L-1882 Luxembourg, R.C.S Luxembourg, 198 558). The ultimate undertaking and controlling party is MBERP II (Luxembourg) 27 S.à.r.l., and represents the only group of which this company is a member and for which consolidated financial statements are publicly available at www.mb27.info.