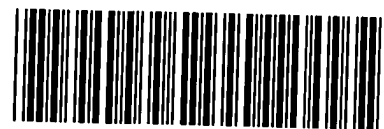


STARMOUNT (SECURITIES) LIMITED
FINANCIAL STATEMENTS
FOR
30 NOVEMBER 2016

TUESDAY



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COMPANIES HOUSE

CLAYTON STARK & CO
Chartered Accountants & Statutory Auditor
5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

STARMOUNT (SECURITIES) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

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STARMOUNT (SECURITIES) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M A M Slowe
M V Sternberg QC MCIArb FRSA
P Grossmith-Dwek
N Tamir
R Slowe
D Sternberg

Company secretary

M A M Slowe

Registered office

5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Auditor

Clayton Stark & Co
Chartered Accountants
& Statutory Auditor
5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Bankers

Barclays Bank Plc
1 Churchill Place
London E14 5HP

STARMOUNT (SECURITIES) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2016

The directors present their report and the financial statements of the group for the year ended 30 November 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is that of property investments and to act as a holding company. The principal activities of the main subsidiaries are property dealing and developing and investing in properties.

The directors consider the results for the year and the state of affairs of the group and the company as set out in the annexed profit and loss accounts and balance sheets respectively, to be satisfactory.

DIRECTORS

The directors who served the company during the year were as follows:

Sir S Sternberg
M A M Slowe
M V Sternberg QC MCI Arb FRSA
P Grossmith-Dwek
N Tamir
R Slowe
D Sternberg

The Board of Directors is saddened to report the death of Sir Sigmund Sternberg who passed away on 18 October 2016.

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 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 year.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

STARMOUNT (SECURITIES) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2016

AUDITOR

Clayton Stark & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption under Part 15 of the Companies Act 2006.

Registered office:
5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

Signed by order of the directors



M A M Slowe
Company Secretary

Approved by the directors on - 6 JUL 2017

STARMOUNT (SECURITIES) LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STARMOUNT (SECURITIES) LIMITED****YEAR ENDED 30 NOVEMBER 2016**

We have audited the group and parent company financial statements ("the financial statements") of Starmount (Securities) Limited for the year ended 30 November 2016 on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 November 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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 has been prepared in accordance with applicable legal requirements.

STARMOUNT (SECURITIES) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF STARMOUNT (SECURITIES) LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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; 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' exemption in preparing the directors' report and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.



NIRANJAN KARIYA FCA (Senior
Statutory Auditor)
For and on behalf of
CLAYTON STARK & CO
Chartered Accountants
& Statutory Auditor

5th Floor Charles House
108-110 Finchley Road
London NW3 5JJ

- 6 JUL 2017

STARMOUNT (SECURITIES) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2016**

	Note	2016 £	2015 £
GROUP TURNOVER		5,573,201	5,237,603
Cost of sales		(1,512,633)	(1,407,429)
GROSS PROFIT		4,060,568	3,830,174
Administrative expenses		(1,222,392)	(1,353,755)
Other operating income		26,493	—
OPERATING PROFIT	2	2,864,669	2,476,419
Interest receivable and similar income		108,525	123,659
Interest payable and similar charges		(41,839)	(32,305)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,931,355	2,567,773
Tax on profit on ordinary activities	4	(741,564)	(746,299)
PROFIT FOR THE FINANCIAL YEAR	5	2,189,791	1,821,474

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 20 form part of these financial statements.

STARMOUNT (SECURITIES) LIMITED**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 30 NOVEMBER 2016**

	2016	2015
	£	£
Profit for the financial year attributable to the shareholders of the parent company	2,189,791	1,821,474
Unrealised profit/(loss) on revaluation of investment properties	1,367,584	(846,134)
Unrealised profit on transfer from stock of properties to portfolio of investment properties	856,896	1,059,055
Total gains and losses recognised since the last annual report	<u>4,414,271</u>	<u>2,034,395</u>

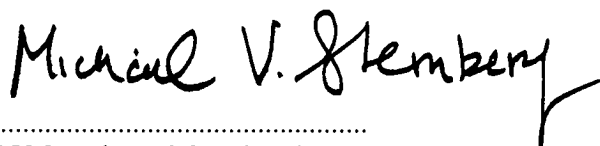
The notes on pages 12 to 20 form part of these financial statements.

STARMOUNT (SECURITIES) LIMITED**GROUP BALANCE SHEET****30 NOVEMBER 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	45,963,000	43,605,000
CURRENT ASSETS			
Stocks		4,880,086	2,224,426
Debtors	9	2,290,891	2,472,660
Cash at bank		2,178,921	2,625,212
		<u>9,349,898</u>	<u>7,322,298</u>
CREDITORS: Amounts falling due within one year	10	<u>(3,283,594)</u>	<u>(1,955,629)</u>
NET CURRENT ASSETS		<u>6,066,304</u>	<u>5,366,669</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>52,029,304</u>	<u>48,971,669</u>
CAPITAL AND RESERVES			
Called up equity share capital	13	426	426
Share premium account	14	41,061	41,061
Revaluation reserve	14	7,090,398	4,866,038
Profit and loss account	14	44,897,419	44,064,144
SHAREHOLDERS' FUNDS		<u>52,029,304</u>	<u>48,971,669</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved by the directors and authorised for issue on **- 6 JUL 2017**, and are signed on their behalf by:



.....
M V Sternberg QC MCI Arb FRSA
Director

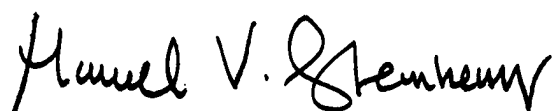
STARMOUNT (SECURITIES) LIMITED**COMPANY BALANCE SHEET****30 NOVEMBER 2016**

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	26,807,000	24,604,000
Investments	8	153	153
		<u>26,807,153</u>	<u>24,604,153</u>
CURRENT ASSETS			
Debtors	9	21,766,185	22,172,303
Cash at bank		144	371
		<u>21,766,329</u>	<u>22,172,674</u>
CREDITORS: Amounts falling due within one year	10	<u>(321,420)</u>	<u>(294,393)</u>
NET CURRENT ASSETS		<u>21,444,909</u>	<u>21,878,281</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,252,062</u>	<u>46,482,434</u>
CAPITAL AND RESERVES			
Called up equity share capital	13	426	426
Share premium account	14	41,061	41,061
Revaluation reserve	14	10,545,746	9,333,282
Profit and loss account	14	37,664,829	37,107,665
SHAREHOLDERS' FUNDS		<u>48,252,062</u>	<u>46,482,434</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

- 6 JUL 2017

These accounts were approved by the directors and authorised for issue on, and are signed on their behalf by:



M V Sternberg QC MCI Arb FRSA
Director

Company Registration Number: 00528421

STARMOUNT (SECURITIES) LIMITED**GROUP CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2016**

	Note	2016 £	2015 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,613,965	2,544,097
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		209,519	94,773
Interest paid		<u>(37,640)</u>	<u>(34,449)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		171,879	60,324
TAXATION		(768,472)	(661,882)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(990,586)	(2,944,134)
Receipts from sale of fixed assets		26,663	—
Consolidation adjustment (see notes 1 & 14)		<u>856,896</u>	<u>1,059,055</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(107,027)	(1,885,079)
EQUITY DIVIDENDS PAID		(1,356,636)	(364,500)
DECREASE IN CASH		<u>(446,291)</u>	<u>(307,040)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
		2016 £	2015 £
Operating profit		2,864,669	2,476,419
Profit on disposal of fixed assets		(26,493)	—
(Increase)/decrease in stocks		(2,655,660)	762,510
Decrease in debtors		80,775	124,935
Increase/(decrease) in creditors		1,350,674	(819,767)
Net cash inflow from operating activities		<u><u>1,613,965</u></u>	<u><u>2,544,097</u></u>

The notes on pages 12 to 20 form part of these financial statements.

STARMOUNT (SECURITIES) LIMITED**GROUP CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2016****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2016	2015
	£	£
Decrease in cash in the period	(446,291)	(307,040)
	<u>(446,291)</u>	<u>(307,040)</u>
Change in net funds	(446,291)	(307,040)
Net funds at 1 December 2015	2,625,212	2,932,252
Net funds at 30 November 2016	<u>2,178,921</u>	<u>2,625,212</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 2015 £	Cash flows £	At 30 Nov 2016 £
Net cash:			
Cash in hand and at bank	2,625,212	(446,291)	2,178,921
Debt: Due after one year	—	—	—
Net funds	<u>2,625,212</u>	<u>(446,291)</u>	<u>2,178,921</u>

The notes on pages 12 to 20 form part of these financial statements.

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Therefore, certain fixed assets are not depreciated in accordance with the Companies Act as explained in the investment properties policy note.

In particular, a consolidation adjustment is made to eliminate "intra-group" profit/(loss) on transfer of properties from a subsidiary company's stock of properties to the parent company's portfolio of investment properties. When applicable, such adjustment is taken to the revaluation reserve in the year in which it arises.

Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the company and its subsidiary undertakings.

Inter-company transactions, balances and unrealised profits and losses on properties transferred within the group are eliminated on consolidation.

Goodwill arising on consolidation and representing the excess of the purchase price over the fair value of the net assets acquired, has previously been written off against reserves and, as permitted by Financial Reporting Standard for Smaller Entities (effective January 2015), has not been reinstated in the balance sheet.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover comprises of sales of trading properties which are recognised where contracts have been completed during the accounting period and stated at net of value added tax and costs incurred on their disposal, and also the group's gross property income exclusive of value added tax.

The group's gross property income consists of rental income, service charges and insurances recoverable from tenants of both investment and dealing properties. In accordance with the Accounting Standards Board's (ASB) Urgent Issues Task Force Abstract 28 'Operating Lease Incentives' (UITF 28) the group treats any incentive for lessees to enter into lease agreements as a revenue cost and accounts for rental income from the commencement date of any rent-free period. The cost of all incentives (such as as rent-free periods or contributions to tenants fitting out costs) is, therefore, offset against the total rent due and the net rental income is then spread evenly over the shorter of the period from the commencement date to the date of the next rent review or the lease end date or the date of the lease break clause, if applicable.

Fixed assets

All fixed assets are initially recorded at cost. Subsequently, they are stated at valuation or net of depreciation as applicable.

STARMOUNT (SECURITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2016****Depreciation**

In accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), no depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

The group's policy is to provide depreciation on all fixed assets other than on investment properties as stated above.

Investment properties

Investment properties are shown at their market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless, a deficit or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Property purchases and disposals

Purchases and disposals of both investment and trading properties are recognised where contracts have been completed during the accounting period. Net surpluses in excess of book values arising on the sale of investment properties are taken to the profit and loss account.

Property maintenance and refurbishment costs

Irrecoverable running costs directly attributable to specific properties within the Group's portfolio are charged to the profit and loss account as costs of sales. Costs incurred in the improvement of the portfolio which, in the opinion of the directors, are not of a capital nature are written off to the profit and loss account as incurred.

Administration expenses

All costs not directly attributable to the individual properties are treated as administration expenses.

Stock of trading properties

Stock of properties has been valued by the directors at the lower of cost and net realisable value on a basis consistent with previous years.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The effect of this policy is that no provision is required.

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

Deferred taxation *(continued)*

No provision is made for tax on capital gains which would arise if investment properties owned by the Group were to be realised at the amounts at which they are stated in the accounts. An estimate of the potential liability is given in note 7. Provision is only made for deferred tax if a commitment has been entered into for the sale of an investment property prior to the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Profit on disposal of fixed assets	(26,493)	—
Auditor's fees	<u>28,000</u>	<u>28,000</u>

3. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2016 £	2015 £
Aggregate remuneration	<u>796,474</u>	<u>982,793</u>

The directors of this company are also directors of all active companies within the group. The directors' remuneration is only charged in the accounts of one of the subsidiaries, Martin Slowe Estates Limited.

The company has 1 director (2015 - 2) who is entitled to a post-retirement pension as detailed in note 11. No provision in respect thereof has been made in the accounts.

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2016 £	2015 £
Current tax:		
UK Corporation tax based on the results for the year	763,000	768,000
Overprovision in prior years	<u>(21,436)</u>	<u>(21,701)</u>
Total current tax	<u>741,564</u>	<u>746,299</u>

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

5. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £1,913,680 (2015 - £3,202,813).

6. DIVIDENDS

Equity dividends

	2016 £	2015 £
Paid during the year:		
Equity dividends on ordinary shares	<u>1,356,636</u>	<u>364,500</u>

7. TANGIBLE ASSETS

Group	Investment properties £
COST OR VALUATION	
At 1 December 2015	43,605,000
Transfers from stock of subsidiary	984,000
Other additions	6,586
Disposals	(170)
Revaluation	<u>1,367,584</u>
At 30 November 2016	<u>45,963,000</u>
NET BOOK VALUE	
At 30 November 2016	<u>45,963,000</u>
At 30 November 2015	<u>43,605,000</u>

All of the group's investment properties were valued on an open market basis at 30 November 2016 by Mr M Slowe, a director of the company who is also a Chartered Surveyor.

The historical cost of investment properties attributable to the group at 30 November 2016 was £38,872,602 (2015 - £38,738,962).

In the event of the sale of all of the group's investment properties at the amounts at which they are included in the consolidated balance sheet, it is estimated that an additional corporation tax liability amounting to approximately £370,000 (2015 - £700,000) would crystallise.

The group's portfolio of investment properties includes some long leasehold properties. All the long leasehold properties are held by the holding company and details of these are given below.

STARMOUNT (SECURITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2016****7. TANGIBLE ASSETS** *(continued)*

Company	Investment properties £
COST OR VALUATION	
At 1 December 2015	24,604,000
Transfers from stock of subsidiary	984,000
Other additions	6,586
Disposals	(170)
Revaluation	1,212,584
At 30 November 2016	<u>26,807,000</u>
 NET BOOK VALUE	
At 30 November 2016	<u>26,807,000</u>
At 30 November 2015	<u>24,604,000</u>

The company's investment properties as at 30 November 2016 included long leasehold properties valued at £1,403,000 (2015 - £1,379,000).

The historical cost of investment properties attributable to the company at 30 November 2016 was £16,261,254 (2015 - £15,270,718).

In the event of the sale of all of the company's investment properties at the amounts at which they are included in the company's balance sheet, it is estimated that additional corporation tax liability amounting to approximately £1.1 million (2015 - £900,000) would crystallise.

8. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2015 and 30 November 2016	<u>153</u>
 NET BOOK VALUE	
At 30 November 2016 and 30 November 2015	<u>153</u>

The company's principal subsidiary undertakings are Martin Slowe Estates Limited whose principal activity is property dealing, and Workstone Limited and Myfield Limited whose principal activity is holding investment properties. All the companies are wholly owned and incorporated in England and Wales.

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

9. DEBTORS

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	440,472	485,474	202,389	202,475
Amounts owed by group undertakings	—	—	21,059,087	21,354,299
Other debtors	1,623,682	1,642,687	491,897	491,897
Prepayments and accrued income	226,737	344,499	12,812	123,632
	<u>2,290,891</u>	<u>2,472,660</u>	<u>21,766,185</u>	<u>22,172,303</u>

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other debtors	<u>1,453,101</u>	<u>1,493,385</u>	<u>491,351</u>	<u>271,351</u>

10. CREDITORS: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	30,862	30,867	—	—
Corporation tax	439,564	466,472	36,564	19,873
Other taxes and social security	175,086	145,761	57,473	45,897
Other creditors	2,075,147	774,881	59,511	64,200
Accruals and deferred income	562,935	537,648	167,872	164,423
	<u>3,283,594</u>	<u>1,955,629</u>	<u>321,420</u>	<u>294,393</u>

11. CONTINGENCIES

The late Sir Sigmund Sternberg and Mr. Martin Slowe entered into an agreement with the company which entitled them to a pension upon their retirement or termination of employment with the group.

The late Sir Sigmund Sternberg and Mr. Martin Slowe established the group over forty years ago and have been directors since then. In consideration of their long service to the group, the company entered into a covenant with each of them on 11 August 2011 whereby the company undertook to pay an annual pension upon retirement. The amount of the pension payable will be equivalent to two-thirds of the base annual salary payable immediately prior to their retirement or termination of their employment with the group. The pension will be increased by the retail prices index on each anniversary following the date of cessation of employment and will be payable by equal monthly instalments. The base annual salary of Mr Martin Slowe as at 30 November 2016 was £512,446.

As mentioned in the Directors' Report, Sir Sigmund Sternberg passed away on 18 October 2016 without drawing any pension. As at the date of the approval of the accounts, Mr Martin Slowe had not notified the company and the group of his intention to retire.

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

12. RELATED PARTY TRANSACTIONS

The company is not controlled by any single party.

Related parties

M V Sternberg QC MCI Arb FRSA, M Slowe, P Grossmith-Dwek and N Tamir are all directors of the company. The late Sir Sigmund Sternberg was a director of the company until he resigned on 16 October 2016. Martin Slowe Children's Settlement and Martin Slowe Grandchildren's Settlement are two of three trusts with common trustees. The three trusts own in total, one-third of the equity share capital of the company. M Slowe and P Grossmith-Dwek are directors of Martin Slowe Consultancy Limited and this company is owned by their family interests. Mrs H Grossmith-Dwek is M Slowe's daughter and also the spouse of P Grossmith-Dwek. Mrs E Scholl also is a daughter of M Slowe. J Tamir is the son of N Tamir.

Loans to the company by M Slowe's four grandchildren and interest payable in respect thereof are disclosed in aggregate. Loans by certain other parties related to M Slowe and P Grossmith-Dwek and interest payable in respect thereof, are disclosed in aggregate shown as "Other parties related to M Slowe".

Transactions with related parties

Included in other creditors (amounts falling due within one year), are loans to the group and the company by related parties as follows:

	Group		Company	
	2016	2015	2016	2015
	(As restated)			
	£	£	£	£
Martin Slowe Consultancy Limited	250,507	107,748	—	—
M Slowe	161,313	182,254	—	—
Martin Slowe Children's Settlement	362,068	163,208	—	—
Martin Slowe Grandchildren's Settlement	132,575	50,402	—	—
Mrs H Grossmith-Dwek	59,662	82,065	—	—
P & Mrs H Grossmith-Dwek	70,238	—	—	—
Mrs E Scholl	107,807	6,271	—	—
J Tamir	303,415	—	—	—
Grandchildren of Martin Slowe	243,087	49,648	—	—
Other parties related to M Slowe	63,396	60,949	—	—

All the loans that were outstanding as at the year end are unsecured and are repayable on demand. Interest was paid during the year on these loans at 2.5 % over the Bank Base Rate in line with market rates. The total amount of interest in respect of the above loans that remained unpaid at the year end and included in accruals and deferred income was £5,941 (2015 - £2,559).

STARMOUNT (SECURITIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2016

12. RELATED PARTY TRANSACTIONS *(continued)*

Interest payable to related parties in respect of loans to the group and the company were as follows:

	Group		Company	
	2016	2015	2016	2015
	(As restated)			
	£	£	£	£
Martin Slowe Consultancy Limited	5,239	4,972	—	—
M Slowe	1,921	4,058	—	—
Martin Slowe Children's Settlement	10,692	4,349	—	—
Martin Slowe Grandchildren's Settlement	3,953	1,402	—	—
Mrs H Grossmith-Dwek	2,365	7,492	—	—
P & Mrs H Grossmith-Dwek	546	—	—	—
Mrs E Scholl	2,278	3,823	—	—
J Tamir	1,341	—	—	—
Grandchildren of M Slowe	4,983	1,442	—	—
Other parties related to M Slowe	1,682	3,281	—	—

Dividends paid to related parties were as follows:

Group and Company

	2016	2015
	£	£
The late Sir Sigmund Sternberg	585,847	171,982
M V Sternberg QC MCI Arb FRSA	72,506	21,390
Martin Slowe Children's Settlement	300,430	60,750
Martin Slowe Grandchildren's Settlement	147,912	43,638
Parties related to M Slowe	84,628	17,114
Parties related to the late Sir Sigmund Sternberg	165,313	49,626

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2016		2015	
	No.	£	No.	£
'A' Ordinary shares of £1 each	284	284	284	284
'B' Ordinary shares of £1 each	142	142	142	142
	426	426	426	426

Both the 'A' and 'B' shares rank equally as one class for participation in the profits and assets of the company.

There shall always be an even number of directors of which fifty percent must be 'A' directors (appointed by 'A' shareholders) and the other fifty percent 'B' directors (appointed by 'B' shareholders). As at 30 November 2016 there were 3 'A' directors and 3 'B' directors.

STARMOUNT (SECURITIES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2016****14. RESERVES**

Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance brought forward	41,061	4,866,038	44,064,144
Profit for the year	—	—	2,189,791
Equity dividends	—	—	(1,356,636)
Other gains and losses			
- Revaluation of fixed assets	—	1,367,584	—
Transfer to/from revaluation reserve	—	(120)	120
Current year consolidation adjustment	—	856,896	—
Balance carried forward	<u>41,061</u>	<u>7,090,398</u>	<u>44,897,419</u>
Company	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance brought forward	41,061	9,333,282	37,107,665
Profit for the year	—	—	1,913,680
Equity dividends	—	—	(1,356,636)
Other gains and losses			
- Revaluation of fixed assets	—	1,212,584	—
Transfer to/from revaluation reserve	—	(120)	120
Balance carried forward	<u>41,061</u>	<u>10,545,746</u>	<u>37,664,829</u>

As explained in note 1 under 'basis of accounting', the current year consolidation adjustment arises from the transfer of properties from a subsidiary's stock of properties to the parent company's portfolio of investment properties.