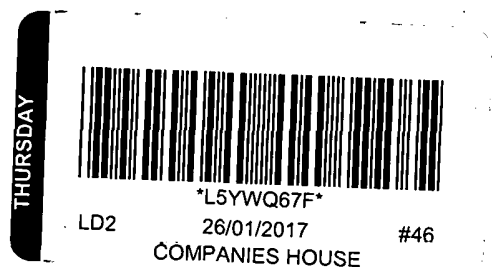


**MINERVA LIMITED
(formerly MINERVA PLC)**

ANNUAL REPORT AND ACCOUNTS

31 DECEMBER 2015



MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

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MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

COMPANY INFORMATION

Directors	Paul Goswell Wilson Lamont John Robertson Colin Wagman
Company number	2649607
Registered Office	40 Queen Anne Street London W1G 9EL
Auditors	Ernst & Young LLP 1 More London Place London SE1 2AF

MINERVA LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their Strategic Report for the year ended 31 December 2015.

Principal Activities and Business Review

The principal activities of the Group and its subsidiaries are property investment, development, management and sale of real estate in the UK.

Financial Results

The Group's investment property portfolio was valued at £65.0 million (31 December 2014: £603.7 million) having made disposals in the year.

Profit before tax for the year, incorporating property revaluation movements of the Group's investment portfolio only, was £36.7 million (2014: £52.2 million). After taxation, the Group's profit for the year was £36.7 million (2014: £52.2 million). Dividends of £234.1 million have been paid during this financial year (2014: £71.9).

Net asset value attributable to equity shareholders at 31 December 2015 decreased, following the payment of dividends, to £116.5 million (31 December 2014: £305.3 million).

The Directors have also chosen to disclose the European Public Real Estate Association (EPRA) measure of net assets (Best Practices Recommendations December 2014): EPRA net assets. The EPRA net asset measure highlights the fair value of equity on a long-term basis and so excludes items which the Directors consider to have no impact on the Group in the long term, such as fair value movements of derivative financial instruments (where these are not expected to reverse in the foreseeable future) and deferred tax.

It also adjusts the book value of trading properties to market value, from being shown at the lower of cost and net realisable value under IFRS, as the Directors believe this more accurately represents the long-term value of the business. The adjustments are therefore as follows:

	2015 £000	2014 £000
Net assets as reported under IFRS	116,482	305,289
Fair value of trading properties	136,379	133,650
Book value of trading properties	(62,162)	(59,489)
Fair value adjustment	74,217	74,161
EPRA net assets	190,699	379,450

Financing

The Group has a bank loan in place, with total committed loan facilities of approximately £16.0 million at 31 December 2015 (2014: £379.0 million).

Financial instruments

Financial risk and credit risk management objectives and policies are set out in note 19 to the Accounts. The Group enters into loan arrangements which expose it to the risk of interest rate fluctuations. The Group addresses such risks by purchasing interest rate hedging instruments, the fair value of which has been recognised in the financial statements. The valuation of such instruments at 31 December 2015 showed a deficit of £nil (2014: £7.8 million) after settling the last swap held in the year.

Key risks and uncertainties

The Group's main risks and uncertainties revolve around:

- the business environment, where external economic and market forces may adversely affect the Group's business model;
- exposure to interest rate risk, liquidity risk and credit risk;
- continued availability of funding and compliance with covenants;
- the property market, where speculative developments may not achieve appropriate planning approvals and/or may suffer from poor market demand from tenants or buyers;
- changes in legislation, regulation or best practice, particularly in relation to planning and taxation, which may impact the costs, timings and profitability of the Group's schemes in progress, and
- failure in corporate responsibility, including breaches of health and safety, environmental regulations and planning guidelines.

The Group addresses these risks through the effective implementation of its strategy and a risk and control process, which is monitored by the Board.

MINERVA LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

Strategy and future developments

The Group's objective is to deliver attractive returns to shareholders through investment, development, sale and management of UK real estate.

Progress on the Group's principal properties during the financial year is set out below.

The Walbrook Building, London EC4

The Walbrook Building, located in the City of London, was developed to provide some 410,000 sq. ft. of air-conditioned offices and storage, incorporating trading floors and 35,000 sq. ft. of retail, restaurant and other accommodation in the heart of the City of London.

Following on from the successful leasing of the property during previous years, the property was sold during 2015 generating a profit of c£48.4 million.

Odeon Kensington, London W8

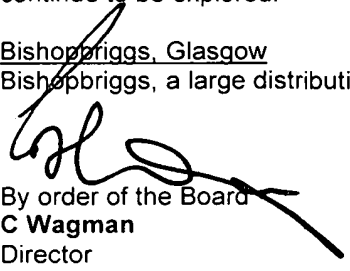
The Odeon is located in a prime residential area on Kensington High Street. The Group also owns several adjacent property interests and achieved an improved planning consent for a larger scheme, encompassing all land holdings during the year.

The Croydon Estate, London Borough of Croydon

Minerva's Croydon Estate comprises approximately 6 acres in the town centre, incorporating one million sq. ft. of offices, the former Allders Department Store and additional retail and leisure accommodation. The site continues to be let to a variety of office and retail tenants while planning options for the site continue to be explored.

Bishopbriggs, Glasgow

Bishopbriggs, a large distribution centre located near Glasgow was sold towards the end of 2015



By order of the Board

C Wagman

Director

23 January 2017

MINERVA LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited consolidated financial statements of the Group and of the Company for the year ended 31 December 2015.

DIRECTORS

The Directors of the Company who served during the year were as follows:

Paul Goswell

Wilson Lamont

John Robertson

Colin Wagman

Ivan Ezekiel (resigned 17 November 2015)

Tim Garnham (resigned 17 November 2015)

Directors' qualifying third party indemnity provisions

Under the provisions of its Articles of Association, the Company has indemnified its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the financial year and remains in force on the date of approval of the Directors' Report.

SHARE CAPITAL

The Company has a single class of share capital which is divided into ordinary shares of 25 pence each. Details of the Company's share capital are set out in note 22 to the Accounts. The rights and obligations that are attached to the shares are set out in the Company's Articles of Association unless specified by law or regulation. There are no restrictions on voting rights or the transfer of shares other than as specified by the Articles of Association, law or regulation. During the prior year, the Company undertook a recapitalisation and reduced the share capital to 1 ordinary share of 25 pence.

GOING CONCERN

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

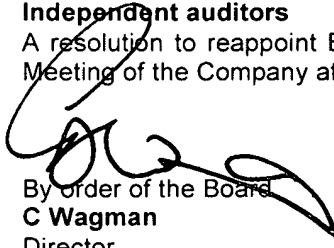
AUDITORS

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the 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 auditors are aware of that information.

Independent auditors

A resolution to reappoint Ernst & Young LLP as auditor to the Company will be proposed at a General Meeting of the Company at which the accounts are laid before the members.



By order of the Board

C Wagman

Director

23 January 2017

MINERVA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU'). 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 group and the company and of the profit or loss of the group for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and

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

MINERVA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERVA LIMITED YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Minerva Limited for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statements of Changes in Equity, the Accounting Policies and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MINERVA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERVA LIMITED YEAR ENDED 31 DECEMBER 2015

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.

Ernst & Young LLP

Matthew Williams (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

26/1/17

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Consolidated income statement

		Year to 31 December 2015 £000	Year to 31 December 2014 £000
	Note		
Continuing operations			
Revenue	2	16,592	26,119
Property outgoings and cost of sales	2	(5,365)	(7,542)
Net property income	2	11,227	18,577
Administrative expenses		(5,098)	(10,350)
Other Income		88	132
Profit on sale of investment properties		50,583	1,515
(Deficit)/surplus on revaluation of investment properties	9	(509)	83,496
Operating profit	3	56,291	93,370
Loss on disposal of subsidiary		(506)	-
Finance costs	5	(19,101)	(44,422)
Finance income	6	63	3,256
Net finance costs		(19,038)	(41,166)
Profit before taxation		36,747	52,204
Taxation	7	-	-
Profit for the year		36,747	52,204

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Consolidated statement of comprehensive income

	Note	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Profit for the year		36,747	52,204
Other comprehensive income			
Net gain on cash flow hedges	18	-	(1,119)
Recycling of cash flow hedge reserve	5	8,572	16,525
Other comprehensive income for the year, net of tax		8,572	15,406
Total comprehensive income for the year		45,319	67,610

All items included within other comprehensive income will be recycled through the consolidated income statement in future periods.

MINERVA LIMITED

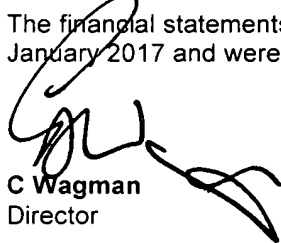
REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Consolidated statement of financial position

	Note	As at 31 December 2015 £000	As at 31 December 2014 £000
Assets			
Non-current assets			
Investment properties	9	65,430	580,379
Property, plant and equipment	10	21	42
Derivative financial instruments	18	-	319
Other financial assets	13	10	10
		65,461	580,750
Current assets			
Trading properties	14	62,162	59,489
Trade and other receivables	15	5,157	49,639
Cash and cash equivalents	16	13,199	16,649
		80,518	125,777
Total assets		145,979	706,527
Liabilities			
Current liabilities			
Trade and other payables	17	(12,349)	(15,342)
Borrowings	18	(16,002)	(16,392)
Provisions for other liabilities and charges	21	(113)	(1,312)
		(28,464)	(33,046)
Non-current liabilities			
Borrowings	18	(599)	(359,815)
Derivative financial instruments	18	-	(8,069)
Provisions for other liabilities and charges	21	(434)	(308)
		(1,033)	(368,192)
Total liabilities		(29,497)	(401,238)
Net assets		116,482	305,289
Equity			
Called up share capital	22	-	-
Other reserves		-	(8,572)
Profit and loss account		116,482	313,861
Total equity		116,482	305,289

The financial statements on pages 9 to 35 were approved by the Board of Directors for issue on 23 January 2017 and were signed on its behalf by:


C Wagman
Director

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Parent company statement of financial position

	Note	As at 31 December 2015 £000	As at 31 December 2014 £000
Assets			
Non-current assets			
Investment in subsidiary undertakings	11	7,905	38,239
		7,905	38,239
Current assets			
Trade and other receivables	15	101,990	112,786
Cash and cash equivalents		299	299
		102,289	113,085
Total assets		110,194	151,324
Liabilities			
Current liabilities			
Trade and other payables	17	(2,368)	(101,868)
Total liabilities		(2,368)	(101,868)
Net assets		107,826	49,456
Equity			
Called up share capital	22	-	-
Profit and loss account		107,826	49,456
Total equity		107,826	49,456

The financial statements on pages 12 to 35 were approved by the Board of Directors for issue on 23 January 2017 and were signed on its behalf by:


C Wagman
Director

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Statements of changes in equity

Group		Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
1 January 2014		41,948	198,448	16,095	53,109	309,600
Profit for the year		-	-	-	52,204	52,204
Other comprehensive income		-	-	15,406	-	15,406
Dividends paid		-	-	-	(71,921)	(71,921)
Recapitalisation		(41,948)	(198,448)	(40,073)	280,469	-
Total comprehensive income		(41,948)	(198,448)	(24,667)	260,752	(4,311)
1 January 2015		-	-	(8,572)	313,861	305,289
Profit for the year		-	-	-	36,747	36,747
Other comprehensive income	5	-	-	8,572	-	8,572
Dividends paid	23	-	-	-	(234,126)	(234,126)
Total comprehensive income				8,572	(197,379)	(188,807)
31 December 2015		-	-	-	116,482	116,482

Company		Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total £000
1 January 2014		41,948	198,448	14,315	(170,676)	84,035
Recapitalisation		(41,948)	(198,448)	(14,315)	254,711	-
Profit for the year		-	-	-	37,342	37,342
Dividends paid		-	-	-	(71,921)	(71,921)
1 January 2015		-	-	-	49,456	49,456
Profit for the year		-	-	-	292,496	292,496
Dividends paid	23	-	-	-	(234,126)	(234,126)
31 December 2015		-	-	-	107,826	107,826

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

Consolidated cash flow statement

	Note	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Cash flows from operations	27	18,326	(29,582)
Interest received		83	229
Interest paid		(9,633)	(22,094)
Income taxes paid		-	-
Cash flows from operating activities		8,776	(51,447)
Investing activities			
Additions to investment properties		(1,652)	(7,924)
Additions to property, plant and equipment		-	-
Receipts from sale of investment properties		594,245	138,327
(Cost of)/receipts from sale of other investments		-	(5)
Receipts from sale of subsidiaries		-	-
Receipts from sale of property, plant and equipment		-	3
Cash flows from investing activities		592,593	130,401
Financing activities			
New loans		-	327,934
Issue costs of loans		-	(10,422)
Repayment of loans		(362,966)	(352,853)
Settlement of derivatives		(7,727)	(17,305)
Dividends paid		(234,126)	(71,921)
Cash flows from financing activities		(604,819)	(124,567)
Net decrease in cash and cash equivalents		(3,450)	(45,613)
Cash and cash equivalents at beginning of year		16,649	62,262
Cash and cash equivalents at end of year		13,199	16,649

Parent Company cash flow statement

	Note	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Cash flows from operations	27	234,125	71,769
Interest received		1	152
Cash flows from operating activities		234,126	71,921
Financing activities			
Dividends paid		(234,126)	(71,921)
Cash flows from operating activities		(234,126)	(71,921)
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		299	299
Cash and cash equivalents at end of year		299	299

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

Basis of preparation

Minerva Limited is a limited liability company incorporated and domiciled in the United Kingdom. The Group's financial statements consolidate those of the Company and its subsidiaries ('the Group').

The Group and Parent Company financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

The consolidated financial statements of the Group are presented in UK Sterling, the functional and presentational currency of each company within the Group.

Accounting standards, amendments and interpretations

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year ending 31 December 2015. These amendments have no material impact on the Group.

Standard or Interpretation	Title	Effective for accounting periods beginning on or after
IAS 19	Amendments to IAS 19 Defined Benefit Plans	1 July 2014
	Annual improvements to IFRSs 2010-2012 Cycle	1 July 2014
	Annual improvements to IFRSs 2011-2013 Cycle	1 July 2014

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following standards and interpretations have an effective date after the date of the financial statements. The Group plans to adopt them from the effective dates adopted by the EU and does not foresee any material impact.

Standard or Interpretation	Title	Effective for accounting periods beginning on or after
IAS 1	Amendments to IAS 1 – Disclosure Initiative	1 January 2016
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation – Amendments to IAS 16 and IAS 38	1 January 2016
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14	Regulatory Deferral accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
	Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
IFRS 10, 12 and IAS 28	Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities : Applying the Consolidation Exception	1 January 2016

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (cont.)

Measurement convention

The consolidated financial statements of the Group have been prepared in accordance with EU endorsed IFRS, IFRIC interpretations, the Companies Act 2006 applicable to companies reporting under IFRS, and the historical cost convention as modified by the inclusion of investment properties, other financial assets and financial instruments at fair value.

Areas requiring the use of estimates and critical judgement that may impact on the Group's earnings and financial position include:

- valuation of investment properties, where the Board has adopted the external valuations carried out by professionally qualified valuers, CBRE, in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors

Other areas of judgement, risk and uncertainty, which are relevant to an understanding of the financial results and position of the Group, are referred to in the Strategic Report.

Items measured at fair value are categorised within the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- inputs for the asset or liability are not based on observable market data (level 3)

For assets and liabilities that are recognised in the financial statements on a recurring bases, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Basis of consolidation

The consolidated financial statements of the Group include the financial results of subsidiaries acquired during the year from the effective date of acquisition, being the date on which the Group obtains control. Business combinations are accounted for under the acquisition method. Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the Group's consolidated financial statements. Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are deconsolidated from the date that control ceases.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are held in the Company statement of financial position at cost and reviewed annually for impairment.

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (cont.)

Revenue

- Property revenue comprises rental income from operating leases, service charge income and other amounts receivable from tenants. Rental income and lease incentives to tenants are recognised in the income statement on a straight-line basis over the lease term.
- Other income comprises non-property revenue and other sundry amounts earned on an accruals basis.

Property expenses

Refurbishment expenditure in respect of major works is capitalised. Renovation and refurbishment expenditure of a revenue nature is charged to the income statement as incurred.

Costs directly attributable to the arrangement of a lease, which include letting and professional fees, are capitalised and amortised over the lease term.

Investment properties

Investment properties are properties held for long-term rental income and for capital appreciation and are measured initially at cost, including related transaction costs, and subsequently at fair value. Changes in the fair value of an investment property at the statement of financial position date and its carrying amount prior to re-measurement, are recorded in the income statement.

Additions to properties in the course of development or refurbishment include the cost of finance and directly attributable internal and external costs incurred during the period of development until practical completion.

Trading properties

Trading properties are properties held for sale and are included in the statement of financial position at the lower of cost and net realisable value.

Property transactions

Purchases and sales are recognised on exchange of contracts provided that, if the exchange is conditional, all material conditions have been satisfied shortly thereafter.

Property, plant and equipment

This category comprises motor vehicles and fixtures and fittings. These assets are stated at historical cost, less accumulated depreciation and any accumulated impairment. Motor vehicles and fixtures and fittings are depreciated on a straight-line basis over their estimated useful lives of between three and five years.

Leases – the Group as a lessee

Leases are classified according to the substance of the transaction. A lease that transfers substantially all the risks and rewards of ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (cont.)

Rentals payable under operating leases are charged to the income statement over the term of the lease on a straight-line basis.

Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the asset and the present value of the minimum lease payments and amortised over the shorter of the lease term and useful economic life. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits with banks and short-term liquid investments.

Borrowings

Borrowings are included in the financial statements, initially at fair value, net of transaction costs incurred, which are amortised over the life of the loan. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Derivative financial instruments

The Group's derivative financial instruments comprise interest rate swaps, which are entered into in order to manage interest rate risk from its activities. All derivative financial instruments are recorded at fair value based on market prices, estimated future cash flows and quoted forward rates as appropriate.

The Group applies hedge accounting where the financial instruments meet the relevant criteria and represent a cash flow hedge. Changes in fair value of such financial instruments that are designated and effective as hedges are recognised directly in reserves, to be transferred to the income statement in the period during which the hedge item is recognised in the income statement. Any ineffective portion of hedge accounted instruments is recognised immediately in the income statement as a finance cost. In all other cases movements in the fair value of derivative financial instruments are taken to the income statement.

Amounts payable and receivable under such arrangements are included within net finance costs, recognised on an accruals basis.

Taxation

The charge for current taxation is based on the results for the year as adjusted for items which are non-taxable or disallowed having taken into consideration capital allowances, indexation and available tax losses.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax is calculated on the basis that properties will be realised predominantly through sale and therefore capital gains are reduced by indexation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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1. Accounting policies (cont.)

Income tax is determined using rates and laws that have been enacted or substantively enacted by the statement of financial position date and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The provision is recorded in the income statement.

Trade and other payables

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

Provisions for liabilities and charges

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value, using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligations. The increase in the provision due to the passage of time is recognised as interest expense.

Share capital

Share capital, which comprises ordinary shares, is classified as equity. Incremental costs attributable to the issue of new subscriptions are shown in equity as a deduction, net of tax, from the proceeds.

Retirement benefits

Employer contributions to defined contribution pension schemes of employees are charged to the income statement as incurred.

Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved. Interim dividends are recognised when paid.

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2. Net property income

	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Rental income	14,047	22,350
Recoverable property expenses	2,545	3,769
Revenue	16,592	26,119
Property expenses including property provisions	(2,820)	(3,627)
Recoverable property expenses	(2,545)	(3,769)
Marketing expenses	-	(146)
Property outgoings and cost of sales	(5,365)	(7,542)
Net property income	11,227	18,577

The Group's minimum lease payments receivable under non-cancellable operating leases, principally in respect of leases over land and buildings, are as follows:

	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Less than one year	1,022	27,710
Between one and five years	1,368	107,173
Over five years	645	154,087
	3,035	288,970

3. Group operating profit

	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Operating profit is stated after charging/(crediting):		
Fees payable to Company's auditors for the audit of Parent Company and consolidated accounts	30	52
Fees payable to the Company's auditor and its associates for other services:		
Audit of the Company's subsidiaries pursuant to legislation	30	40
Depreciation charge	21	21
Operating lease rentals – land and buildings	780	809
Profit on sale of property, plant and equipment	-	(3)

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4. Staff costs

	Year to 31 December 2015	Year to 31 December 2014
	£000	£000
Average number of employees employed by the Group	3	15
Staff costs		
Wages and salaries	406	1,434
Redundancy payments	-	1,105
Discretionary bonuses	756	2,299
Social security costs	346	329
Pensions costs	3	35
	1,511	5,202
Directors' remuneration		
Aggregate emoluments including redundancy payments	708	1,728
Contributions to pension schemes of Directors	2	35
	710	1,763

The aggregate emoluments of the highest paid director were £367,000 (2014: £879,000).

Certain directors of the Company are remunerated by the ultimate shareholders for their services in this Company. No remuneration is paid to these directors by the Company.

5. Finance costs

	Year to 31 December 2015	Year to 31 December 2014
	£000	£000
Interest and charges on borrowings	7,157	20,682
Amortisation of loan issue costs	1,156	4,309
Fair value loss on derivative financial instruments		
Non-hedging instruments	319	2,093
Recycling of cash flow hedge reserve	8,572	16,525
	8,891	18,618
Interest on obligations under finance leases	33	33
Charges relating to early loan repayment	1,864	780
	19,101	44,422

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6. Finance income

	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Interest on deposits	63	215
Fair value gain on derivative financial instruments	-	3,041
Ineffectiveness on cash flow hedges	63	3,256

7. Taxation

	Note	Year to 31 December 2015 £000	Year to 31 December 2014 £000
Current tax		-	-
Deferred tax	20	-	-
Taxation charge for the year		-	-
Profit before taxation		36,747	52,204
Tax on profit at 20.25 per cent (2014: 21.5 per cent)		7,441	11,224
Amounts not taxable		(284)	64
Accelerated capital allowances		(4,644)	3,462
Differences arising from taxation of chargeable gains and property revaluations		23,615	(14,701)
Tax losses and other differences		(26,128)	(49)
Taxation charge for the year		-	-

8. Profit/(loss) dealt with by Parent Company

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. A profit for the year of £292,496,000 (31 December 2014: £37,342,000) is dealt with in the financial statements of the Company.

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9. Investment properties

Group	31 December 2015 £000	31 December 2014 £000
At 1 January: Net book value	580,379	637,043
Additions	1,044	4,255
Disposals	(515,484)	(137,415)
Transfer to trading properties	-	(7,000)
Revaluation movement	(509)	83,496
At 31 December: Net book value	65,430	580,379
Recognition of finance lease obligations	(601)	(604)
Amounts included within prepayments and accrued income	171	23,925
At 31 December: At valuation	65,000	603,700

The investment properties were valued on a fair value basis by CBRE Limited, external valuers, as at 31 December 2015 in accordance with the RICS Valuation – Professional Standards (2012) ("the Red Book") issued by the Royal Institution of Chartered Surveyors.

The total accumulated amount of interest capitalised as part of the cost of investment properties was £3,926,000 (2014: £32,781,000). The average cost of interest capitalised in the year was nil (2014: nil).

Investment properties include freehold properties with a net book value of £41,116,000 (2014: £502,176,000) and long leasehold properties with a net book value of £24,314,000 (2014: £78,203,000).

Fair value hierarchy

The Group considers that all properties outlined above fall within level 3 of the fair value hierarchy for both the current and prior year. The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no movements within the categories of the fair value hierarchy. Property is measured at fair value, taking account of the highest and best use.

Gains and losses recorded in the profit and loss account for recurring fair value measurements categorised within level 3 of the fair value hierarchy amount to £509,000 deficit (2014: £83,496,000 surplus) and are presented in the consolidated income statement as (Deficit)/surplus on revaluation of investment properties. All gains and losses recorded in profit and loss for recurring fair value measurement categorised Level 3 of the fair value hierarchy are attributable to unrealised gains or losses relating to investment properties held at the end of the year.

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9. Investment properties (continued)

Valuation methodology

Valuations of the Group's properties are primarily performed at each year end by third party valuers, based on the following:

- information provided by management including rent rolls, expected vacancy, break options, expiry dates, lease incentives, service charges, capital expenditure and future development opportunities based on planning permissions held or sought
- market assumptions derived from their own independent assessment and market observations.

The properties in the portfolio were valued on both an income capitalisation basis and redevelopment basis. A key unobservable input into such valuations is the equivalent yield (in % terms) applied to the income stream arising or expected to arise from the property. The yield applied is subject to judgement based on the quality and location, the nature of the lease terms and tenant in place at the property. A lower yield is generally applied to better quality, better located properties with higher quality tenants. For the valuation of this portfolio, each multi-tenanted property had a range of yields applied to the income streams arising to take account of the different characteristics of leases and tenants.

The other key unobservable inputs to fair value measurement of the other properties in the portfolio were as follows:

Unobservable Input	31 Dec 2015	31 Dec 2014
Estimated rental values (ERV) on vacant space	£10 - £25/sq.ft	£12 – £62.50/sq.ft

Sensitivity to key unobservable inputs

An increase in equivalent yield or decrease in ERV would result in a reduction in the valuation of the Group's investment properties. Similarly, a decrease in equivalent yield or increase in ERV would result in an increase in valuation of the investment properties.

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10. Property, plant and equipment

Group	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost			
At 1 January 2015	908	-	908
Disposals	(832)	-	(832)
At 31 December 2015	76	-	76
Depreciation			
At 1 January 2015	866	-	866
Depreciation charge	21	-	21
Disposals	(832)	-	(832)
At 31 December 2015	55	-	55
Net book value at 31 December 2015	21	-	21
Net book value at 31 December 2014	42	-	42

11. Investment in subsidiary undertaking

	31 December 2015 £000	31 December 2014 £000
At 1 January: Net book value	38,239	38,239
Additions	1	-
Disposals	(1)	-
Impairment	(30,334)	-
At 31 December: Net book value	7,905	38,239

Investments in subsidiaries are held in the statement of financial position at cost and are reviewed for impairment annually. The recoverable amount of the investment is fair value less cost of sale and is determined with reference to the net assets of the subsidiary.

At the year end, the Company has the following principal subsidiary undertakings which are consolidated and have as their main activity property investment, development, trading, investment holding or the provision of property related services. Unless otherwise stated all subsidiary undertakings are wholly-owned and registered and operate in Great Britain.

Antares Properties Limited	Minerva (Croydon) Limited
Croydon Plaza Limited	Minerva Dowgate Limited
Croydon Retail Limited	Minerva (Finance) Limited
Futurestate Limited	Minerva (Holland Park) Limited
Jack Cade Limited	Minerva (Kensington) Limited
Larchfield Investments Limited	Minerva (Kensington Developments) Limited
M1 Limited	Minerva Property Holdings Limited
Minerva (Abingdons) Limited	Minerva (Stores) Limited
Minerva Corporation Limited	

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12. Loss on disposal of subsidiary

During the year Minerva Limited distributed its share in Minerva (Wandsworth) Limited £1 to Jupiter Properties 2011 UK Limited. At the date control was lost, the entity held no cash or cash equivalents, c£734,000 of assets and £228,000 of liabilities.

13. Other financial assets

	31 December 2015 £000	31 December 2014 £000
At 1 January	10	5
Additions	10	5
Disposal	(10)	-
At 31 December	10	10

Investments held as other financial assets are traded in active markets and are valued on the basis of quoted market prices at the statement of financial position date.

14. Trading properties

Group	31 December 2015 £000	31 December 2014 £000
At beginning of year	59,489	51,197
Additions	2,673	1,292
Transfer from investment properties	-	7,000
At 31 December	62,162	59,489

The total accumulated amount of interest capitalised as part of the cost of the properties was £1,783,000 (2014: £1,783,000). The average cost of interest capitalised was nil (2014: nil per cent).

15. Trade and other receivables

	Group 31 December 2015 £000	Group 31 December 2014 £000	Parent Company 31 December 2015 £000	Parent Company 31 December 2014 £000
Trade receivables	2,438	2,978	-	-
Allowance for doubtful debts	(1,571)	(722)	-	-
Other receivables	867	2,256	-	-
Amounts owed by parent company	2,515	2,131	-	145
Amounts owed by group undertakings	-	20,000	-	20,000
Prepayments and accrued income	-	-	101,947	91,941
	1,775	25,252	43	700
	5,157	49,639	101,990	112,786

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15. Trade and other receivables (continued)

	Group 31 December 2015 £000	Group 31 December 2014 £000	Parent Company 31 December 2015 £000	Parent Company 31 December 2014 £000
Movement in allowance for doubtful debts				
At 1 January	722	164	-	-
Provided in year	849	558	-	-
Written off	-	-	-	-
Recovered	-	-	-	-
At end of year	1,571	722	-	-

Trade receivables comprise rental income and service charges which are due on contracted quarter days with no credit period. Trade receivables are assessed on a tenant by tenant basis and where there is doubt as to recoverability of the debt, a specific allowance is made. Other receivables predominantly comprise recoverable Value Added Tax and other receivable amounts. All significant receivables due to be settled, have been received since 31 December 2015.

There are no current trade or other receivables, over due or past credit terms but not impaired greater than six months old. Group prepayments and accrued income at 31 December 2015 include £nil of prepaid development expenditure (2014: £317,000).

16. Cash and cash equivalents

Cash and cash equivalents include £452,000 (2014: £7,612,000) retained in deposit, rent and restricted accounts which is not readily available to the Group for day-to-day commercial purposes.

17. Trade and other payables

	Group 31 December 2015 £000	Group 31 December 2014 £000	Parent Company 31 December 2015 £000	Parent Company 31 December 2014 £000
Trade payables	950	144	-	-
Amounts owed to parent undertakings	2,000	-	2,000	101,144
Amounts owed to fellow subsidiary undertakings	93	-	-	-
Other payables	3,542	2,774	299	299
Accruals and deferred income	5,764	12,424	69	425
	12,349	15,342	2,368	101,868

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18. Borrowings and derivative financial instruments

	Group 31 December 2015 £000	Group 31 December 2014 £000	Parent Company 31 December 2015 £000	Parent Company 31 December 2014 £000
Group and Company				
Borrowings				
Current liabilities				
Bank and other borrowings	16,000	16,390	-	-
Finance lease obligations	2	2	-	-
	16,002	16,392	-	-
Non-current liabilities				
Bank and other borrowings	-	359,213	-	-
Finance lease obligations	599	602	-	-
	599	359,815	-	-

The fair value of bank borrowings at the balance sheet date was the same as (2014: £0.5m higher than) the carrying value on the balance sheet.

Maturity of borrowings	Bank and other borrowings			
	Group 31 December 2015 £000	Group 31 December 2014 £000	Parent Company 31 December 2015 £000	Parent Company 31 December 2014 £000
Less than one year	16,000	16,390	-	-
Between one and two years	-	326,751	-	-
Between two and five years	-	9,344	-	-
Over five years	-	23,118	-	-
	16,000	375,603	-	-

Group	Finance lease obligations (net of future finance charges)			
	31 December 2015 £000	31 December 2014 £000	31 December 2015 £000	31 December 2014 £000
Less than one year	35	35	3	2
Between one and two years	35	35	3	3
Between two and five years	105	105	8	8
Over five years	1,598	1,634	587	591
	1,773	1,809	601	604
Future finance charges on leases	(1,172)	(1,205)	-	-
	601	604	601	604

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18. Borrowings and derivative financial instruments (continued)

Undrawn facilities

	31 December 2015 £000	31 December 2014 £000
Group		
Less than one year	-	200,000
Between one and two years	-	-
Between two and five years	-	-
Over five years	-	-
	-	200,000

Interest rate risk profile of borrowings

	31 December 2015		31 December 2014	
	Total £000	Weighted average interest rate %	Total £000	Weighted average interest rate %
Group				
Swapped fixed rate / capped borrowings	-	-	375,603	3.7
Floating rate borrowings	16,000	2.4	-	-
Total borrowings	16,000	-	375,603	-

There were no swapped fixed arrangements at 31 December 2015. The weighted average interest rate shown for fixed and capped rate liabilities at 31 December 2014 was 3.7 per cent with all inclusive interest rates ranging from 2.4 per cent to 6.5 per cent. The weighted average period of the Group's swapped fixed rate borrowings was 2.4 years at 31 December 2014.

Floating rate borrowings at the year end incurred interest at margins of 1.8 per cent over LIBOR.

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18. Borrowings and derivative financial instruments (continued)

Derivative financial instruments

Group	Assets £000	Liabilities £000	Total £000
At 1 January 2014	62	(26,516)	(26,454)
Additions	2,350	-	2,350
Movement in fair value	(2,093)	18,447	16,354
At 1 January 2015	319	(8,069)	(7,750)
Movement in fair value	(319)	8,069	7,750
At 31 December 2015	-	-	-

Fair value estimation

The derivative financial instruments carried at fair value in the statement of financial position at 31 December 2014 were valued by JC Rathbone Associates Limited. Fair value was calculated using the present value of the estimated future cash flows and the credit quality of counterparties. For these financial instruments fair value approximated to carrying value.

Fair value hierarchy

The Group considers that all financial instruments outlined above fall within level 2 of the hierarchy in both the current and prior years with no reclassifications in either year.

The Group has interest rate swaps totalling £nil (2014: £38 million) and interest rate caps totalling £nil (2014: £341 million).

19. Financial risk management

In the normal course of business, the Group is exposed to interest rate risk, liquidity risk and credit risk, which it seeks to mitigate through a combination of sound business practices and use of derivative financial instruments.

The Group's risk management policies and practices are as follows:

Interest rate management

The Group has a portfolio of floating rate debt. Interest rate swaps are generally used to alter the interest rate profile of the Group's debt, having the effect of transforming floating rate liabilities into fixed rate liabilities. The Group has well established practices to monitor the interest rates prevailing on current borrowings. Further details relating to derivative financial instruments are given in note 18.

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19. Financial risk management (continued)

Sensitivity to interest rates

The Group's exposure to changes in interest rates relates to the effect of a rate change on the fair value of the Group's derivative financial instruments and the cost of servicing the Group's floating rate borrowings. Based on the 31 December 2015 statement of financial position, a 50 basis point rise in interest rates could equate to a £nil net fair value gain (2014: £1,497,000), conversely a 50 basis point fall could result in a net fair value loss of £nil (2014: £1,497,000).

In the circumstances where there is a 50 basis point rise, a gain of £nil (2014: £300,000) in respect of the total gain would be expected to go through the income statement and a gain of £nil (2014: £1,197,000) would be taken to equity. In the circumstances where there is a 50 basis points fall, a loss of £nil (2014: £300,000) in respect of the total loss would be allocated to the income statement with a loss of £nil (2014: £1,197,000) going through equity.

Credit risk management

Principal financial assets comprise investments, trade and other receivables and cash and deposits.

The credit risk in respect of cash and deposits is limited and mitigated since the counterparties are principally reputable banks with a minimum Standard and Poor's long term credit rating of A.

The level of credit risk attaching to the remaining financial assets is low, given their relative size. Other financial assets predominantly comprise rental and service charge income due from tenants, recoverable Value Added Tax and deposits receivable in respect of future trading property sales. The credit risk attaching to these assets is mitigated by a combination of an assessment of a tenant's, purchaser's or, supplier's financial standing before credit is advanced, the holding deposits and/or guarantees and rental contracts requiring rent to be paid in advance.

Liquidity management

Cash reserves are monitored to ensure adequate resources are available to provide the Group with security, liquidity and flexibility during the development phase of its projects, whilst also enabling it to invest in new opportunities.

The Group seeks, where possible, to borrow on a non-recourse or limited-recourse basis, with a view to maintaining an appropriate maturity profile that supports the Group's operations. Borrowings usually comprise variable rate loans in the first instance.

Capital risk management

The Group seeks to manage its capital in a way to safeguard its ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders.

In order to achieve these objectives, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or purchase, develop or sell assets.

The capital structure of the Group consists of net debt and shareholders' equity. Shareholders' equity comprises share capital, reserves and retained earnings and is disclosed in the Group Statement of changes in equity. Net debt comprises borrowings, which are disclosed in note 18 less cash which is disclosed in the Statement of financial position.

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19. Financial risk management (continued)

Maturity analysis of the undiscounted contractual cash flows relating to financial liabilities

Group	Trade and other payable £000	Borrowings £000	Derivative financial instruments £000	Provisions £000	Total £000
31 December 2015					
Less than one year	12,155	16,406	-	112	28,673
Between one and two years	-	-	-	82	82
Between two and five years	-	-	-	246	246
Over five years	-	-	-	150	150
Total contracted cash flows	12,155	16,406	-	590	29,151
Carrying value	12,155	16,000	-	546	28,701
Group					
31 December 2014					
Less than one year	14,323	30,569	2,047	1,312	48,251
Between one and two years	-	337,746	1,908	345	339,999
Between two and five years	-	11,706	4,733	-	16,439
Over five years	-	25,447	3,925	-	29,372
Total contracted cash flows	14,323	405,468	12,613	1,657	434,061
Carrying value	14,323	375,603	7,750	1,620	399,296

Parent Company undiscounted contractual cash flows relating to financial liabilities comprise trade and other payables, which are due within one year and are disclosed in note 17.

20. Deferred tax

Group	Accelerated capital allowances £000	Tax losses £000	Other temporary differences £000	Derivative financial instruments £000	Total £000
At 1 January 2014	2,338	(8,264)	5,926	-	-
Recognised in income statement	3,462	(20,475)	17,013	-	-
Recognised in equity	-	-	-	-	-
At 1 January 2015	5,800	(28,739)	22,939	-	-
Recognised in income statement	(4,644)	26,911	(22,267)	-	-
Recognised in equity	-	-	-	-	-
At 31 December 2015	1,156	(1,828)	672	-	-

Deferred tax assets in respect of losses available against future taxable income, not recognised at the statement of financial position date, amount to £24,393,000 (2014: £3,849,000). Deferred tax assets in respect of contingent losses not recognised at the date of the statement of financial position amount to £21,045,000 (2014: £21,198,000).

In addition, the Group has not recognised deferred tax assets in respect of capital losses generated in the prior periods. These capital losses, totalling in the region of £200,000,000 (2014: £300,000,000), should be available to offset future capital gains if and when they arise.

Other temporary differences represent differences arising on capitalised interest and contingent gains on investment properties.

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20. Deferred tax (continued)

As at 31 December 2015, tax rates of 20 per cent, 19 per cent and 18 per cent had been enacted applicable from 1 April 2015, 2017 and 2020 respectively. The applicable tax rate applied to deferred tax balances will therefore depend on the timing of their expected reversal of the underlying temporary differences.

21. Provisions for other liabilities and charges

	31 December 2015 £000	31 December 2014 £000
Group		
At beginning of year	1,620	2,834
Credit to income statement	(1,073)	(1,214)
At end of year	547	1,620
Less non-current portion	(434)	(308)
Current portion	113	1,312

A provision has been made in relation to a residual leasehold interest considered to be onerous and is due to expire in October 2022.

22. Called up share capital

	At 31 December 2015 £000	At 31 December 2014 £000	At 31 December 2015 Number	At 31 December 2014 Number
Group and company				
Authorised				
Ordinary shares of 25p each	75,000	75,000	300,000,000	300,000,000
Issued and fully paid				
Ordinary shares of 25p each	-	-	1	1

23. Dividends

A dividend of £234,126,000 was proposed and paid in respect of the year ended 31 December 2015 (2014: £71,921,000).

24. Capital commitments

Capital commitments contracted, but not provided for, at 31 December 2015 relating to the Group's development activities were £nil (2014: £nil).

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25. Commitments under operating leases

Total commitments under non-cancellable operating leases:

	31 December 2015 £000	31 December 2014 £000
Group		
Less than one year	780	1,133
Between one and five years	3,018	3,392
Over five years	1,313	2,054
	5,111	6,579

26. Contingent liabilities

The Company has guaranteed external borrowings of some of its subsidiary undertakings, which at the statement of financial position date amounted to £16,000,000 (2014: £16,000,000).

27. Cash flows from operations

	31 December 2015 £000	31 December 2014 £000
Group		
Profit before taxation	36,747	52,204
Loss on disposal of subsidiary investment	506	-
Net finance costs	19,038	41,166
Operating profit	56,291	93,370
Depreciation	21	21
Property provisions	(1,073)	(1,214)
Movement on revaluation of investment properties	509	(83,496)
Profit on sale of investment properties	(50,583)	(1,515)
Profit on sale of property, plant and equipment	-	(3)
Loss on disposal of subsidiary investments	(506)	-
Amortisation of lease incentives, letting fees and other non-cash items	(7,637)	(15,418)
Trading property additions	(2,033)	(1,268)
Decrease/(increase) in trade and other receivables	24,506	(20,199)
(Decrease)/increase in trade and other payables	(1,169)	140
Cash flows from operations	18,326	(29,582)

	31 December 2015 £000	31 December 2014 £000
Parent Company		
Profit before taxation	292,496	37,341
Net finance costs	(1)	1,763
Operating profit	292,495	39,104
Write back of investment in subsidiary undertaking	30,334	-
Write back of amount owed by subsidiary undertakings	-	-
Decrease in trade and other receivables	10,796	89,744
Decrease in trade and other payables	(99,500)	(57,079)
Cash flows from operations	234,125	71,769

MINERVA LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2015

28. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Jupiter Properties 2011 UK Limited and the ultimate parent company is Jupiter Holdco (BVI) Limited. Copies of the financial statements of Jupiter Properties 2011 UK Limited are publicly available.

29. Related party transactions

The Group has not entered into any transactions with related parties other than disclosed below and remuneration of key management who are considered to be the Directors.

During the period the Company was charged £1,918,000 of management fees by subsidiaries (2014: £3,747,000) and £2,600,000 of management fees by parties related to parent undertakings (2014: £2,617,000). Amounts advanced by the Company to group undertakings or by group undertakings to the Company, are disclosed in notes 15 and 17 and are unsecured, interest free and repayable on demand. The Company received intra-group dividends of £332,030,000 during the period (2014: £50,000,000).

During the period, the Group disposed of a subsidiary company to its immediate parent undertaking, realising a loss on disposal of £506,000 (2014: nil). At 31 December 2015, the Group owed £93,000 to this company.

The Company was provided funding by Jupiter Holdco (BVI) Limited, its ultimate parent undertaking. The funding provided, disclosed within the payables balance at the balance sheet date, was £2,000,000 (2014: £nil). The total facilities provided aggregate to £2,000,000 (2014: £200,000,000).

30. Post balance sheet events

In January 2016, the Company paid a dividend of £7,000,000 to its shareholder.