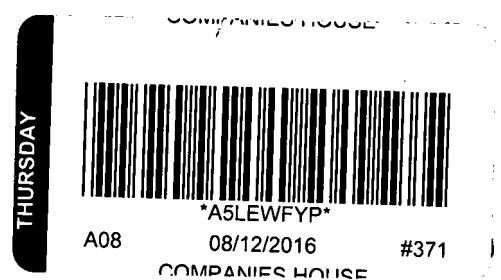


Company Registration No. 04517621

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

CORPORATE INFORMATION

Directors

P J Goswell
T Haden-Scott
J W J Ritblat
C B Wagman

Company Secretary

Delancey Limited

Registered office

6th Floor
Lansdowne House
Berkeley Square
London
W1J 6ER

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Royal Bank of Scotland
9th Floor
280 Bishopsgate
London
EC2M 4RB

Solicitors

Olswang LLP
90 High Holborn
London
WC1V 6XX

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report to the shareholders	4
Income statement and Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 17

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The Directors present their strategic report for the year ended 31 March 2016.

REVIEW OF THE BUSINESS

The principal activity of the company is that of the provision of advisory services to real estate companies.

The results for the year and the financial position of the company at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS

The profit for the year, after taxation, amounted to £26,730,000 (2015: £725,000).

PRINCIPAL RISKS AND UNCERTAINTIES AND KEY PERFORMANCE INDICATORS

The company's operations are affected by fluctuations in UK interest rates, the UK property market and the UK financial climate in general. The directors believe that the quality and breadth of its clients' portfolios largely protects the company from such movements.

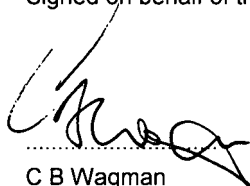
The Company is a Registered Investment Advisor with the US Securities and Exchanges Commission (SEC), under the Investment Advisors Act 1940.

The Company is also a fully authorised and regulated firm by the Financial Conduct Authority (FCA).

The Company's key performance indicators are:

Turnover - increased by £12,522,000 (65%) during the year, principally due to a one off advisory fee.

Signed on behalf of the board



C B Wagman

Director

Approved by the directors on 06 July 2016

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2016.

DIVIDENDS

The directors did not recommend any dividend during the year (2015: nil).

FUTURE DEVELOPMENTS

The directors are pursuing a broad range of opportunities.

DIRECTORS

The following directors have held office since 1 April 2015:

P J Goswell
T Haden-Scott
J W J Ritblat
C B Wagman

GOING CONCERN

The Directors believe that the Company has significant net assets, together with a number of long term advisory agreements with its clients and are actively seeking new opportunities which will allow the Company to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made political donations of £85,000 (2015: £80,000) to the Conservative Party.

As part of the company's commitment to the community the following contributions were made during the year:

	2016 £'000	2015 £'000
Charitable donations:		
Child welfare	-	18
Social welfare	7	-
Arts	10	1
Education	6	330
Other	21	49
	<u>44</u>	<u>398</u>

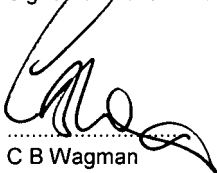
DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the board



C B Wagman
Director

Approved by the directors on 06 July 2016

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Delancey Real Estate Asset Management Limited for the year ended 31 March 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement in Changes of Equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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 Strategic Report and the Directors' 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 company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

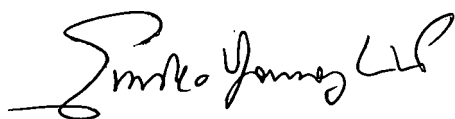
Opinion on other matter prescribed by the Companies Act 2006

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.

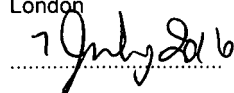
Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Eamonn McGrath (Senior Statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory auditor
London



DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Turnover	2	31,687	19,165
Administrative expenses		(23,590)	(19,105)
Operating profit	3	8,097	60
Profit on the disposal of fixed assets		121	-
Income from fixed asset investments	6	1,184	1,011
Interest receivable	7	136	95
Interest payable and similar charges	8	(1,365)	(363)
Profit on disposal of subsidiary	11	1,000	-
Gain on financial assets at fair value through the profit and loss	11	19,197	-
Profit on ordinary activities before taxation		28,370	803
Tax on profit on ordinary activities	9	(1,640)	(78)
Profit for the financial year		26,730	725

The income statement has been prepared on the basis that all operations are continuing.

STATEMENT OF COMPREHENSIVE INCOME

The company has no comprehensive income other than the results for the year as set out above.

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	10	4,062	2,762
Investments	11	40,320	19,355
		<u>44,382</u>	<u>22,117</u>
Current assets			
Debtors:	12		
- amounts falling due within one year		7,603	8,199
- amounts falling due after one year		619	967
Cash at bank and in hand		25,954	22,752
		<u>34,176</u>	<u>31,918</u>
Creditors: amounts falling due within one year	13	<u>(17,567)</u>	<u>(21,135)</u>
Net current assets		<u>16,609</u>	<u>10,783</u>
Total assets less current liabilities		<u>60,991</u>	<u>32,900</u>
Creditors: amounts falling due after more than one year	14	<u>(18,694)</u>	<u>(17,333)</u>
Net assets		<u><u>42,297</u></u>	<u><u>15,567</u></u>
Capital and reserves			
Called-up equity share capital		-	-
Profit and loss account		42,297	15,567
Shareholder's funds		<u><u>42,297</u></u>	<u><u>15,567</u></u>

The financial statements were approved by the Board on 06 July 2016


C B Wagman
Director

Company Registration Number 04517621

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Profit and loss account	Total Equity
	£'000	£'000	£'000
At 1 April 2014	-	14,842	14,842
Profit for the year	-	725	725
At 31 March 2015	-	15,567	15,567
Profit for the year	-	26,730	26,730
At 31 March 2016	-	42,297	42,297

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Statement of compliance

Delancey Real Estate Asset Management Limited is a limited company incorporated in England and Wales, the registered office is 6th Floor Lansdowne House, Berkeley Square, London, W1J 6ER.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 March 2016.

The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

1.2 Basis of preparation and change in accounting policy

The financial statements were authorised for issue by the Board of Directors on 6 July 2016. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Measurement of investments at fair value through profit or loss

The Company carries its fixed asset investments at fair value, with fair value being recognised through the income statement.

The Company valued its investments in these unlisted companies by multiplying the net asset value of the companies invested in by the percentage of shareholding, price adjustments are taken into account where actual transactions have taken place.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

1.3 Going concern

The Directors believe that the Company has significant net assets, together with a number of long term advisory agreements with its clients and are actively seeking new opportunities which will allow the Company to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 Cash flow statement

The directors have taken advantage of the exemption in Section 7 of FRS 102 from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of Delancey Real Estate Partners Limited, and is included in the publicly available consolidated financial statements of that company.

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

1.5 Turnover

Turnover represents fees receivable for services provided under advisory agreements which were in existence during the accounting period and is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates and VAT.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated on a straight-line basis so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings & equipment (excl. various artwork and others and IT equipment)	- over 3 years
IT equipment	- over 2 years
Artwork and others (included in F,F&E)	- no depreciation
Motor vehicles	- over 5 years

1.7 Impairment of non-financial assets

An entity shall assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

An entity shall recognise an impairment loss immediately in the profit or loss unless the asset is carried at a revalued amount in accordance with another section (e.g. property, plant and equipment). Any decrease in a revalued amount shall be in accordance with that other section.

1.8 Operating lease agreements

Rentals payable after taking into account lease incentives under operating leases are charged in the income statement on a straight line basis over the lease term.

1.9 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in respect of employees' defined contribution pension schemes.

1.10 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all 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 receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- 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 profits from which the future reversal of the underlying timing differences can be deducted.

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

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.12 Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by Section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Delancey Real Estate Partners Limited, a company registered in the British Virgin Islands and is included in the consolidated financial statements of that company.

1.13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

1.14 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.15 Equity investments

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available. If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

1.9 Loan notes

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company, which was wholly undertaken in the United Kingdom. An analysis of turnover is given below:

	2016 £'000	2015 £'000
Fees receivable under advisory agreements	31,687	19,165

3 Operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	225	133
Auditors' remuneration		
- audit	28	26
- taxation fees, compliance	9	9
Operating lease costs	853	774

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4	Particulars of employees	2016 No.	2015 No.
	Average number of administrative staff	52	49
	The aggregate payroll costs of the above were:		
		2016 £'000	2015 £'000
	Wages and salaries	15,113	10,260
	Social security costs	2,116	1,470
	Other pension costs	666	480
		17,895	12,210
5	Directors' emoluments		
	The directors' aggregate emoluments in respect of qualifying services were:		
		2016 £'000	2015 £'000
	Aggregate emoluments	3,677	5,741
	Value of company pension contributions to money purchase schemes	-	75
		3,677	5,816
	There were no directors for whom retirement benefits are accruing under money purchase pension schemes (2015: 1).		
	Emoluments of highest paid director:	2016 £'000	2015 £'000
	Total emoluments (excluding pension contributions)	2,279	2,538
		2,279	2,538
6	Income from fixed asset investments		
		2016 £'000	2015 £'000
	Income from shares in joint ventures	1,184	861
	Income from wholly owned subsidiary	-	150
		1,184	1,011
7	Interest receivable	2016 £'000	2015 £'000
	Bank interest receivable	70	71
	Other interest receivable	66	24
		136	95

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

8	Interest payable and similar charges	2016 £'000	2015 £'000
	Bank loans	1,286	336
	Amortisation of finance costs	75	20
	Bank charges and other interest payable	4	7
		<u>1,365</u>	<u>363</u>

9	Taxation	2016 £'000	2015 £'000
	(a) Analysis of charge in the year		
	Current tax:		
	In respect of the year:		
	UK Corporation tax based on the results for the year at 20% (2015: 21%)	1,335	43
	Adjustments in respect of prior periods	(43)	(16)
	Total current tax	<u>1,292</u>	<u>27</u>
	Deferred tax:		
	Origination and reversal of timing differences	348	51
	Deferred tax charge (note 15)	<u>348</u>	<u>51</u>
	Tax charge on profit on ordinary activities	<u>1,640</u>	<u>78</u>

(b) Factors affecting total tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are reconciled below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	<u>28,370</u>	<u>803</u>
Profit on ordinary activities before taxation multiplied by the main rate of UK corporation tax of 20% (2015: 21%)	5,674	169
Non-deductible expenses	224	129
Depreciation less than capital allowances	(3)	(43)
Adjustments to previous periods	(43)	(16)
Effects of different rates of tax	97	51
Non-taxable income	(4,309)	(212)
Total tax expense	<u>1,640</u>	<u>78</u>

(c) Factors that may affect future tax charges

The Finance (No.2) Act 2015 was enacted on 18 November 2015, which introduced a reduction in the headline rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, therefore deferred tax is calculated at 18%.

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 April 2015	4,633	350	4,983
Additions	1,212	313	1,525
Disposals	-	(255)	(255)
At 31 March 2016	5,845	408	6,253
Depreciation			
At 1 April 2015	1,917	304	2,221
Charge for the year	191	34	225
Disposals	-	(255)	(255)
At 31 March 2016	2,108	83	2,191
Net book value			
At 31 March 2016	3,737	325	4,062
At 31 March 2015	2,716	46	2,762

11 Fixed asset investment

	Unlisted investments £'000
At 1 April 2015	19,355
Additions	1,768
Fair value adjustment	19,197
At 31 March 2016	40,320
At 31 March 2015	19,355

Unlisted investments comprise investments in companies engaged in management services and various investment activities.

There were no disposals during the year, or in the prior year.

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11 Fixed asset investment (continued)

The principal subsidiaries of which the company holds 100% of the issued ordinary share capital are as follows:

Subsidiary undertakings

Cortx Ltd	Five Oaks City Ltd
Crescent Builders and Estates Ltd	Five Oaks Developments Ltd
Delancey Associates Ltd	Five Oaks Investments Ltd
Delancey Asset Management Ltd	Five Oaks Properties Ltd
Delancey Developments Ltd	Freehold Portfolios Estates Ltd
Delancey Estate Agents Ltd	Freehold Portfolios Management Ltd
Delancey Estates Ltd	Metro Shopping Estates Ltd
Delancey Ltd	Metro Shopping Ltd
Delancey Properties Ltd	Metro Shopping Management Ltd
Delancey Properties (Manchester) Limited	Metro Shopping Plaza Ltd
Delancey Real Estate Asset Management Group Ltd	Mount Provincial Developments Ltd
Delancey Retail Ltd	Newincco 1312 Ltd
DV3 Ltd	Portsmouth Advisory Services Ltd
DV4 Ltd	Speciality Shops Developments Ltd
DV5 Ltd	Speciality Shops Ltd
DV6 Ltd	Speciality Shops Management Ltd
DV7 Ltd	Tribeca UK Ltd

All subsidiaries are incorporated in England and Wales and were dormant throughout the year except Newincco 1234 Limited, Delancey Asset Management Ltd and Delancey Properties (Manchester) Limited. On 6 May 2015 the Company sold 100% of its interest in Newincco 1234 Limited for £1,000,000.

Delancey Real Estate Asset Management Ltd provides advisory services to real estate companies.

Joint ventures

Percentage ownership

Metro Shopping Fund GP Limited (incorporated in Jersey)	50%
Metro Shopping Fund Management Limited (incorporated in England and Wales)	50%
Mount Kendal Limited (formerly Newincco 1384 Ltd (incorporated in England and Wales)	76%

All of the above companies provide services to property companies.

12 Debtors

	2016 £'000	2015 £'000
Trade debtors	1,109	282
Corporation tax	769	554
Other debtors	2,739	2,943
Prepayments and accrued income	2,986	4,420
Deferred Tax (note 15)	619	967
	<u>8,222</u>	<u>9,166</u>

The balance for deferred tax is included in the amounts due after one year on the face of the Statement of Financial Position.

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	1,344	1,132
Other taxes and social security costs	1,024	919
Other creditors	203	1,266
Accruals and deferred income (note 21)	14,996	17,818
	<u>17,567</u>	<u>21,135</u>

14 Creditors: amounts falling due after more than one year

	2016 £'000	2015 £'000
Bank loan	19,121	17,836
Less: unamortised finance costs	(427)	(503)
	<u>18,694</u>	<u>17,333</u>

Bank loan maturity analysis:

Less than one year	-	-
Between one and two years	-	-
Between two and five years	-	-
Between five and seven years	19,121	17,836
	<u>19,121</u>	<u>17,836</u>

On 22 December 2014 the company completed on a 7 year facility for £17,500,000 with Cain Hoy Finance Limited. The loan bears an annual interest rate of 7% which accrues daily into the facility.

15 Deferred taxation

	Deferred tax asset 2016 £'000	Deferred tax asset 2015 £'000
Asset brought forward	(967)	(1,018)
Profit and loss account movement in the year	348	51
Asset carried forward	<u>(619)</u>	<u>(967)</u>

Deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £'000	2015 £'000
Accelerated capital allowances	47	-
Timing differences on amounts allowed when paid	(666)	(967)
	<u>(619)</u>	<u>(967)</u>

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16 Commitments under operating leases

At 31 March 2016 the group had annual commitments under non-cancellable operating leases, future minimum rentals payable under these are as follows:

	2016 £'000	2015 £'000
Operating leases:		
Expiring within 1 year	-	-
Within 2 to 5 years	1,876	2,709
	<u>1,876</u>	<u>2,709</u>

17 Related party transactions

The company has taken advantage of the exemption in FRS 102 Sch 72 (4) from the requirement to disclose transactions with group undertakings on the grounds that it is a wholly owned subsidiary of Delancey Real Estate Partners Limited, whose consolidated financial statements are publically available.

18 Share capital

	No.	2016 £'000	No.	2015 £'000
Allotted, called up and unpaid				
Ordinary shares of £1 each	6	-	6	-
'A' share of £1	1	-	1	-
	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>

21 Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014.

	Profit and loss account £
Profit and loss account at 1 April 2014 under previous UK GAAP	14,879
Holiday pay accrual	(37)
Profit and loss account at 1 April 2014 under FRS 102	<u>14,842</u>
Profit for the year ended 31 March 2015 under previous UK GAAP	708
Holiday pay accrual	(7)
Adjustment to depreciation on motor vehicles	24
Profit and loss account at 31 March 2015 under FRS 102	<u>15,567</u>

DELANCEY REAL ESTATE ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21 Transition to FRS 102 (continued)

The following were changes in accounting policy arising from the transition to FRS 102:

Holiday pay accrual

Under previous UK GAAP, the Company did not accrue for holiday entitlement that was earned but had not been taken as at the year end since it was not expected to be paid in cash. Under FRS 102, the Company is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to increase holiday pay accrual by £36,989 and £43,577 at 1 April 2014 and 31 March 2015, respectively.

Depreciation on motor vehicles

Under previous UK GAAP, the Company was unable to estimate reliably the residual values of motor vehicles at the end its useful economic life and therefore used a nil residual value on its calculation of depreciation. There is also no requirement for annual revaluation.

Under FRS102, the Company is required to reassess residual values if there is an indication that it has changed since the most recent annual reporting date. A change in residual value is generally recognised prospectively and therefore the impact is to increase Tangible fixed assets and Profit for the year ended 31 March 2015 by £24,167.

22 Ultimate parent company and controlling party

The immediate and ultimate parent undertaking is Delancey Real Estate Partners Limited ("DREP"), a company registered in the British Virgin Islands. DREP is the parent company of both the largest and smallest group of which the company is a member. The group financial statements of DREP are publicly available from Craigmuir Chambers, P O Box 71, Road Town, Tortola, British Virgin Islands.

The ultimate controlling party is J W J Ritblat.