
DELPH PROPERTY GROUP LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



DELPH PROPERTY GROUP LIMITED

COMPANY INFORMATION

DIRECTOR	P Crocker
COMPANY SECRETARY	V S Crocker
REGISTERED NUMBER	4096029
REGISTERED OFFICE	35 Ballards Lane London N3 1XW
INDEPENDENT AUDITORS	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditors 35 Ballards Lane London N3 1XW

DELPH PROPERTY GROUP LIMITED

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DELPH PROPERTY GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The director presents his report and the financial statements for the year ended 31 December 2012

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of Delph Property Group Limited is that of property trading. In addition, the results of two active subsidiary companies are consolidated as part of these financial statements, one whose principal activity is that of property investment, and another whose principal activity is that of property trading.

BUSINESS REVIEW

This review of the development and performance of the company is consistent with the size and non-complex nature of our business.

We continue to buy and sell residential property. The business climate has been challenging over the last few years, though we remain in the market to buy quality assets.

Our business model is buying completed or near-complete developments. This reduces the period during which we are exposed to downward price movements.

Our key financial performance indicator continues to be net return on capital, achieving 7% in the year under review.

Our major business risks are that prices will move against us in the period between purchase and sale, or that we are unable to sell what we have bought. We minimise these risks by committing much resource to sales. We are also careful to ensure that we select properties of a type and location which will be most in demand, and buy at appropriate prices.

DELPH PROPERTY GROUP LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

RESULTS

The profit for the year, after taxation, amounted to £225,176 (2011 - £320,563)

DIRECTOR

The director who served during the year was

P Crocker

PROVISION OF INFORMATION TO AUDITORS


The director at the time when this Director's Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

AUDITORS

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

This report was approved by the board on 12th August 2013 and signed on its behalf



P Crocker
Director

DELPH PROPERTY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELPH PROPERTY GROUP LIMITED

We have audited the financial statements of Delph Property Group Limited for the year ended 31 December 2012, set out on pages 5 to 20. 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).

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 Auditors' 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 DIRECTOR AND AUDITORS

As explained more fully in the Director's Responsibilities Statement, the director is 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 director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

QUALIFIED OPINION ON FINANCIAL STATEMENTS - ACCOUNTING TREATMENT OF INVESTMENT PROPERTIES

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

The consolidated balance sheet includes £3,000 in respect of investment properties owned by First Property Rentals Limited, a subsidiary company of Delph Property Group Limited. In our opinion, these investment properties have not been included in the financial statements at their open market value, in line with the requirement of the Statement of Standard Accounting Practice No. 19 – Accounting for Investment Properties, which overall would be more than cost. Were the properties to be revalued to their open market value, the impact on the financial statements would be an increase to the balance sheet by the market value uplift, and a corresponding increase to shareholders' funds, by carrying the uplift within a revaluation reserve.

We have been unable to obtain any independent information to enable us to quantify the effects of this non-compliance with the financial statements.

QUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

DELPH PROPERTY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELPH PROPERTY GROUP LIMITED

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Director's 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 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of
Berg Kaprow Lewis LLP

Chartered Accountants
Statutory Auditors

London

Date

30th August 2013

DELPH PROPERTY GROUP LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	4,401,474	6,378,672
Cost of sales		(3,497,978)	(5,052,762)
GROSS PROFIT		903,496	1,325,910
Administrative expenses		(736,196)	(899,427)
Other operating income	3	245,815	75,128
Other operating charges		(54,289)	(264)
OPERATING PROFIT	4	358,826	501,347
EXCEPTIONAL ITEMS	8		
Profit on disposal of short lease assets	8	17,744	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		376,570	501,347
Interest receivable and similar income		37,421	13,087
Interest payable and similar charges	7	(116,375)	(77,254)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		297,616	437,180
Tax on profit on ordinary activities	9	(72,440)	(116,617)
PROFIT FOR THE FINANCIAL YEAR		225,176	320,563

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 9 to 20 form part of these financial statements

DELPH PROPERTY GROUP LIMITED
REGISTERED NUMBER. 4096029

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	10		38,299		56,313
Investment property	11		3,000		2,000
			<u>41,299</u>		<u>58,313</u>
CURRENT ASSETS					
Stocks	13	6,045,303		2,898,329	
Debtors amounts falling due after more than one year	14	8,539,656		7,383,665	
Debtors amounts falling due within one year	14	4,947,554		242,090	
Cash at bank		1,282,969		1,271,070	
		<u>20,815,482</u>		<u>11,795,154</u>	
CREDITORS: amounts falling due within one year	15	<u>(5,771,541)</u>		<u>(2,596,075)</u>	
NET CURRENT ASSETS			<u>15,043,941</u>		<u>9,199,079</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,085,240</u>		<u>9,257,392</u>
CREDITORS: amounts falling due after more than one year	16		<u>(11,827,544)</u>		<u>(6,224,872)</u>
NET ASSETS			<u><u>3,257,696</u></u>		<u><u>3,032,520</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account	18		3,257,596		3,032,420
SHAREHOLDERS' FUNDS	19		<u><u>3,257,696</u></u>		<u><u>3,032,520</u></u>

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

12th March 2013


P Crocker
 Director

The notes on pages 9 to 20 form part of these financial statements

DELPH PROPERTY GROUP LIMITED
REGISTERED NUMBER: 4096029

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	10		31,748		30,313
Investments	12		500		300
			<u>32,248</u>		<u>30,613</u>
CURRENT ASSETS					
Stocks	13	5,163,350		2,898,329	
Debtors amounts falling due after more than one year	14	8,539,656		7,383,665	
Debtors amounts falling due within one year	14	267,116		301,053	
Cash at bank		1,128,274		1,176,982	
		<u>15,098,396</u>		<u>11,760,029</u>	
CREDITORS: amounts falling due within one year	15	<u>(5,673,345)</u>		<u>(2,543,621)</u>	
NET CURRENT ASSETS			<u>9,425,051</u>		<u>9,216,408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,457,299</u>		<u>9,247,021</u>
CREDITORS: amounts falling due after more than one year	16		<u>(6,225,872)</u>		<u>(6,224,872)</u>
NET ASSETS			<u><u>3,231,427</u></u>		<u><u>3,022,149</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account	18		3,231,327		3,022,049
SHAREHOLDERS' FUNDS	19		<u><u>3,231,427</u></u>		<u><u>3,022,149</u></u>

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

12th August 2013



P Crocker
Director

The notes on pages 9 to 20 form part of these financial statements

DELPH PROPERTY GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	20	(5,500,630)	1,262,985
Returns on investments and servicing of finance	21	(78,954)	(64,069)
Taxation		(16,440)	(389,715)
Capital expenditure and financial investment	21	6,251	(36,092)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(5,589,773)	773,109
Financing	21	5,601,672	-
INCREASE IN CASH IN THE YEAR		11,899	773,109

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Increase in cash in the year	11,899	773,109
Cash inflow from increase in debt and lease financing	(5,601,672)	-
MOVEMENT IN NET DEBT IN THE YEAR	(5,589,773)	773,109
Net funds at 1 January 2012	1,271,070	497,961
NET (DEBT)/FUNDS AT 31 DECEMBER 2012	(4,318,703)	1,271,070

The notes on pages 9 to 20 form part of these financial statements

DELPH PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 BASIS OF CONSOLIDATION

The financial statements consolidate the accounts of Delph Property Group Limited and all of its subsidiary undertakings ('subsidiaries')

1.3 TURNOVER

Turnover comprises

(i) Revenue recognised by in respect of property sales completing during the period, together with

(ii) Revenue consolidated from the results of a subsidiary company comprising revenue receivable from property investment This revenue is recognised in the profit and loss account in the period to which it relates

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Short term leasehold property	-	over the life of the lease
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	33 3% straight line
Lease premia	-	12 years over the life of each lease

1.5 INVESTMENTS

Investments in subsidiaries are valued at cost

1.6 INVESTMENT PROPERTIES

Investment properties are not included in the Balance Sheet at their open market value

This treatment is contrary to the requirements of the Statement of Standard Accounting Practice No 19, which requires investment properties to be stated at their open market value In the opinion of the directors, revaluation of the investment properties is not practicable

Further, this is contrary to the requirements of Companies Act 2006 which states that fixed assets should be depreciated In the opinion of the directors, this departure from the Act is necessary in order to give a true and fair view of the financial position of the company

1.7 STOCKS

Stock comprises properties held for sale, and are valued at the lower of cost and net realisable value Cost includes the initial purchase price, together with any other directly attributable costs

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.8 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.9 JOINT ARRANGEMENTS THAT ARE NOT ENTITIES ("JANE")

A JANE is a contractual arrangement with other participants to engage in joint activities where no separate entity is created. Such arrangements are accounted for in the financial statements by including only the Group's share of assets and liabilities, in accordance with the terms of the arrangement.

2. TURNOVER

An analysis of turnover by class of business is as follows

	2012 £	2011 £
Revenue from trading properties	4,262,973	6,251,875
Revenue from investment properties	138,501	126,797
	<u>4,401,474</u>	<u>6,378,672</u>

All turnover arose within the United Kingdom

3. OTHER OPERATING INCOME

	2012 £	2011 £
Management charges receivable	60,000	60,000
Rental income receivable	167,815	15,128
Sundry income	18,000	-
	<u>245,815</u>	<u>75,128</u>

4. OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the group	28,507	25,863
Auditors' remuneration	16,000	16,000
	<u></u>	<u></u>

Auditors fees for the parent company were £15,000 (2011 - £15,000)

DELPH PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

5 STAFF COSTS

Staff costs, including director's remuneration, were as follows

	2012 £	2011 £
Wages and salaries	319,083	337,238
Social security costs	41,302	42,698
Other pension costs	-	75,000
	<u>360,385</u>	<u>454,936</u>

The average monthly number of employees, including the director, during the year was as follows

	2012 No	2011 No
Employees	<u>4</u>	<u>4</u>

6 DIRECTOR'S REMUNERATION

	2012 £	2011 £
Emoluments	<u>70,000</u>	<u>-</u>
Company pension contributions to defined contribution pension schemes	<u>-</u>	<u>75,000</u>

During the year retirement benefits were accruing to no directors (2011 - 1) in respect of defined contribution pension schemes

7 INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	63,276	16,549
On other loans	52,896	58,456
Other interest payable	203	2,249
	<u>116,375</u>	<u>77,254</u>

8 EXCEPTIONAL ITEMS

	2012 £	2011 £
Profit on disposal of short lease assets	<u>17,744</u>	<u>-</u>

DELPH PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

9. TAXATION

	2012 £	2011 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profit for the year	75,000	119,000
Adjustments in respect of prior periods	(2,560)	(2,383)
	<u>72,440</u>	<u>116,617</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES		

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24/26% (2011 - 26/28%) The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>297,616</u>	<u>437,180</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24/26% (2011 - 26/28%)	71,372	115,853
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	(2,560)	(2,383)
Other differences leading to an increase (decrease) in the tax charge	3,628	3,147
	<u>72,440</u>	<u>116,617</u>
CURRENT TAX CHARGE FOR THE YEAR (see note above)		

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10 TANGIBLE FIXED ASSETS

	Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Lease premia £	Total £
GROUP						
COST						
At 1 January 2012	94,867	32,408	27,711	23,878	219,000	397,864
Additions	-	11,535	1,214	-	-	12,749
Disposals	-	-	-	-	(43,000)	(43,000)
At 31 December 2012	94,867	43,943	28,925	23,878	176,000	367,613
DEPRECIATION						
At 1 January 2012	94,867	5,401	24,666	23,617	193,000	341,551
Charge for the year	-	9,635	1,418	261	17,193	28,507
On disposals	-	-	-	-	(40,744)	(40,744)
At 31 December 2012	94,867	15,036	26,084	23,878	169,449	329,314
NET BOOK VALUE						
At 31 December 2012	-	28,907	2,841	-	6,551	38,299
At 31 December 2011	-	27,007	3,045	261	26,000	56,313
COMPANY						
COST						
At 1 January 2012	94,867	32,408	27,711	23,878		178,864
Additions	-	11,535	1,214	-		12,749
At 31 December 2012	94,867	43,943	28,925	23,878		191,613
DEPRECIATION						
At 1 January 2012	94,867	5,401	24,666	23,617		148,551
Charge for the year	-	9,635	1,418	261		11,314
At 31 December 2012	94,867	15,036	26,084	23,878		159,865
NET BOOK VALUE						
At 31 December 2012	-	28,907	2,841	-		31,748
At 31 December 2011	-	27,007	3,045	261		30,313

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11. INVESTMENT PROPERTY

	Freehold investment property £
GROUP	
At 1 January 2012	2,000
Additions	1,000
At 31 December 2012	<u>3,000</u>

Investment properties are not stated at open market value, as required by SSAP 19. In the opinion of the directors, the portfolio of investment properties has a market value in excess of the amount at which it is included in the financial statements, but do not feel that the cost of a professional valuation is justified.

12. FIXED ASSET INVESTMENTS

	Investment in subsidiary companies £
COMPANY	
COST	
At 1 January 2012	300
Additions	200
At 31 December 2012	<u>500</u>
NET BOOK VALUE	
At 31 December 2012	<u>500</u>
At 31 December 2011	<u>300</u>

Details of the principal subsidiaries can be found under note number 28.

13. STOCKS

	GROUP		COMPANY	
	2012 £	2011 £	2012 £	2011 £
Stock of trading property	<u>6,045,303</u>	<u>2,898,329</u>	<u>5,163,350</u>	<u>2,898,329</u>

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

14. DEBTORS

	GROUP		COMPANY	
	2012	2011	2012	2011
	£	£	£	£
DUE AFTER MORE THAN ONE YEAR				
Other debtors	8,539,656	7,383,665	8,539,656	7,383,665
	<u>8,539,656</u>	<u>7,383,665</u>	<u>8,539,656</u>	<u>7,383,665</u>
	GROUP		COMPANY	
	2012	2011	2012	2011
	£	£	£	£
DUE WITHIN ONE YEAR				
Trade debtors	18,435	19,610	-	-
Amounts owed by group undertakings	-	-	84,105	106,514
Other debtors	4,876,721	211,126	164,016	186,725
Prepayments and accrued income	52,398	11,354	18,995	7,814
	<u>4,947,554</u>	<u>242,090</u>	<u>267,116</u>	<u>301,053</u>

**15 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	GROUP		COMPANY	
	2012	2011	2012	2011
	£	£	£	£
Payments received on account	-	16,000	-	16,000
Trade creditors	277	7,166	-	-
Corporation tax	97,873	41,873	70,873	29,873
Social security and other taxes	7,338	11,381	5,329	11,381
Other creditors	5,272,991	2,287,759	5,305,163	2,273,498
Accruals and deferred income	393,062	231,896	291,980	212,869
	<u>5,771,541</u>	<u>2,596,075</u>	<u>5,673,345</u>	<u>2,543,621</u>

**16. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	GROUP		COMPANY	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	5,601,672	-	-	-
Other creditors	6,225,872	6,224,872	6,225,872	6,224,872
	<u>11,827,544</u>	<u>6,224,872</u>	<u>6,225,872</u>	<u>6,224,872</u>

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

17 SHARE CAPITAL

	2012 £	2011 £
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	100	100

18 RESERVES

GROUP		Profit and loss account £
At 1 January 2012		3,032,420
Profit for the year		225,176
		<u>3,257,596</u>
At 31 December 2012		
COMPANY		Profit and loss account £
At 1 January 2012		3,022,049
Profit for the year		209,278
		<u>3,231,327</u>
At 31 December 2012		

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP	2012 £	2011 £
Opening shareholders' funds	3,032,520	2,711,957
Profit for the year	225,176	320,563
	<u>3,257,696</u>	<u>3,032,520</u>
Closing shareholders' funds		
COMPANY	2012 £	2011 £
Opening shareholders' funds	3,022,149	2,681,535
Profit for the year	209,278	340,614
	<u>3,231,427</u>	<u>3,022,149</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account

The profit for the year dealt with in the accounts of the company was £209,278 (2011 - £340,614)

DELPH PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	358,826	501,347
Depreciation of tangible fixed assets	28,507	25,862
Increase in stocks	(3,146,973)	(468,281)
(Increase)/decrease in debtors	(5,861,454)	1,132,056
Increase in creditors	3,120,464	72,001
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(5,500,630)	1,262,985

21 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	37,421	13,087
Interest paid	(116,375)	(77,156)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(78,954)	(64,069)

	2012 £	2011 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of intangible fixed assets	-	(34,092)
Purchase of tangible fixed assets	(12,749)	-
Sale of tangible fixed assets	2,256	-
Purchase of investment properties	(1,000)	-
Sale of investment properties	17,744	(2,000)
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	6,251	(36,092)

	2012 £	2011 £
FINANCING		
New secured loans	5,601,672	-

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22 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	1,271,070	11,899	-	1,282,969
DEBT:				
Debts due within one year	-	(5,601,672)	5,601,672	-
Debts falling due after more than one year	-	-	(5,601,672)	(5,601,672)
NET FUNDS	<u>1,271,070</u>	<u>(5,589,773)</u>	<u>-</u>	<u>(4,318,703)</u>

23 CONTINGENT LIABILITIES

The company has entered into an unlimited multilateral guarantee for bank facility arrangements, together with other related party entities. The borrowing on the facility at 31 December 2012 was £20,563,835. The total facility is secured by a number of properties owned by other related party entities, with an aggregate market value substantially in excess of this sum.

The company has also entered into an unlimited guarantee for bank facility arrangements on behalf of its subsidiary company, DPG 1 Limited. The contingent liability on the facility at 31 December 2012 was £3,361,003. The facility is secured over the property to which it relates, which is jointly owned by related party entities and the company itself.

24. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2011: £75,000).

25. DIRECTOR'S BENEFITS: ADVANCES, CREDIT AND GUARANTEES

Included within other debtors is a balance of £17,903 (2011: £nil) owed by Delph 1 LLP, a limited liability partnership in which the director is a member.

Also within other debtors is a balance of £18,442 (2011: £nil) owed by Delph 2 LLP, a limited liability partnership in which the director is a member.

Also within other debtors is a balance of £35,805 (2011: £nil) owed by Delph 3 LLP, a limited liability partnership in which the director is a member.

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26 RELATED PARTY TRANSACTIONS

Where possible, the company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that the company prepares consolidated financial statements which are publicly available

Included within other creditors due in greater than one year is an aggregate balance of £ 674,337 (2011 £ 717,703) owed to the director, P Crocker, and members of his close family Interest payable includes a total interest charge of £52,896 (2011 £58,456) in relation to these loans

Delph Property Group Limited have entered into JANE arrangements (as defined in accounting policy note 1 8) with Wigmore Investments (UK) Limited, a company controlled by H Crocker, a member of the close family of P Crocker, with Pearl Property Limited, a company in which P Crocker is also a director and DPG 1 Limited, a subsidiary of the company

In line with the company's accounting policy, the financial statements includes closing stock of £973,334 (2011 - £1,949,076), income of £2,806,596 (2011 - £4,064), costs of £2,157,401 (2011 - £Nil) balances in debtors of £77,341 (2011 - £Nil) and balances in creditors of £213,417 (2011 - £1,145,012) under the terms of these arrangements

The following list shows balances included within other debtors/(creditors) relating to companies in which the director holds an interest There are no agreed terms with regard to interest or repayment of these balances

	2012 £	2011 £
D Crocker Securities (Portsmouth) Limited	(4,613)	500
Delph 1 LLP	17,903	-
Delph 2 LLP	18,442	-
Delph 3 LLP	35,805	-
Howard Crocker Investments Limited	(300,084)	(300,084)
Jubilee Securities Limited	(6,406)	(6,406)
Debtors due in greater than one year		
Delph Investments Limited	7,886,172	6,690,281
Pearl Property Limited	(6,330,557)	(6,293,307)
Tabletalk Media Limited	330,859	330,859

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27 CONTROLLING PARTY

The ultimate controlling party is the director, P Crocker

28. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
First Property Rentals Limited	England & Wales	100	Property Investment
First Property Portfolio Limited	England & Wales	100	Dormant
DPG 1 Limited	England & Wales	100	Property Trading
DPG 2 Limited	England & Wales	100	Dormant
DPG 3 Limited	England & Wales	100	Dormant