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**DELPH PROPERTY GROUP LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**



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## **DELPH PROPERTY GROUP LIMITED**

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### **COMPANY INFORMATION**

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**DIRECTORS**

P Crocker  
O H Crocker (appointed 4 July 2013)  
A G Crocker (appointed 4 July 2013)  
F T Crocker (appointed 4 July 2013)  
J J Crocker (appointed 4 July 2013)

**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

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**DELPH PROPERTY GROUP LIMITED**

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## **DELPH PROPERTY GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the financial statements for the year ended 31 December 2013.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Group 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 the group is that of property trading.

#### **RESULTS**

The profit for the year, after taxation, amounted to £2,128,034 (2012 - £225,176).

#### **DIRECTORS**

The directors who served during the year were:

P Crocker  
O H Crocker (appointed 4 July 2013)  
A G Crocker (appointed 4 July 2013)  
F T Crocker (appointed 4 July 2013)  
J J Crocker (appointed 4 July 2013)

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**DELPH PROPERTY GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' 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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

**AUDITORS**

The auditors, Berg Kaprow Lewis LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *20th September 2014* and signed on its behalf.



**P Crocker**  
Director

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## DELPH PROPERTY GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 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.

#### PRINCIPAL RISKS AND UNCERTAINTIES

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.

#### FINANCIAL KEY PERFORMANCE INDICATORS

Our key financial performance indicator continues to be net return on capital, achieving 40% in the year under review.

This report was approved by the board on *20th September 2014* and signed on its behalf.



**P Crocker**  
Director

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## **DELPH PROPERTY GROUP LIMITED**

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

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We have audited the financial statements of Delph Property Group Limited for the year ended 31 December 2013, set out on pages 6 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).

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 DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, 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 Group 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.

#### **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 2013 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.

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**DELPH PROPERTY GROUP LIMITED**

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

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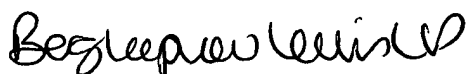
**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group 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 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.



Myfanwy Neville ACA (Senior Statutory Auditor)

for and on behalf of

**Berg Kaprow Lewis LLP**

Chartered Accountants

Statutory Auditors

London

Date: 29/9/14



**DELPH PROPERTY GROUP LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	14,921,638	4,401,474
Cost of sales		(11,349,325)	(3,497,978)
<b>GROSS PROFIT</b>		3,572,313	903,496
Administrative expenses		(868,408)	(736,196)
Other operating income	3	253,748	245,815
Other operating charges		(58,619)	(54,289)
<b>OPERATING PROFIT</b>	4	2,899,034	358,826
<b>EXCEPTIONAL ITEMS</b>	8		
Profit on disposal of short lease assets	8	-	17,744
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		2,899,034	376,570
Interest receivable and similar income		47,129	37,421
Interest payable and similar charges	7	(129,900)	(116,375)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,816,263	297,616
Tax on profit on ordinary activities	9	(688,229)	(72,440)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		2,128,034	225,176

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account.

The notes on pages 10 to 22 form part of these financial statements.

**DELPH PROPERTY GROUP LIMITED**  
**REGISTERED NUMBER: 4096029**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	10		23,331		38,299
Investment property	11		3,000		3,000
			<u>26,331</u>		<u>41,299</u>
<b>CURRENT ASSETS</b>					
Stocks	13	4,896,799		6,045,303	
Debtors: amounts falling due after more than one year	14	208,359		8,539,656	
Debtors: amounts falling due within one year	14	4,068,870		4,947,554	
Cash at bank		3,028,084		1,282,969	
		<u>12,202,112</u>		<u>20,815,482</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(4,412,713)</u>		<u>(5,771,541)</u>	
<b>NET CURRENT ASSETS</b>			<u>7,789,399</u>		<u>15,043,941</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,815,730</u>		<u>15,085,240</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(2,430,000)</u>		<u>(11,827,544)</u>
<b>NET ASSETS</b>			<u><u>5,385,730</u></u>		<u><u>3,257,696</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		100		100
Profit and loss account	18		<u>5,385,630</u>		<u>3,257,596</u>
<b>SHAREHOLDERS' FUNDS</b>	19		<u><u>5,385,730</u></u>		<u><u>3,257,696</u></u>

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

*20th September 2014*



**P Crocker**  
Director

The notes on pages 10 to 22 form part of these financial statements.


**DELPH PROPERTY GROUP LIMITED**  
**REGISTERED NUMBER: 4096029**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	10		22,134		31,748
Investments	12		500		500
			<u>22,634</u>		<u>32,248</u>
<b>CURRENT ASSETS</b>					
Stocks	13	4,532,799		5,163,350	
Debtors: amounts falling due after more than one year	14	208,359		8,539,656	
Debtors: amounts falling due within one year	14	4,683,752		267,116	
Cash at bank		1,314,594		1,128,274	
		<u>10,739,504</u>		<u>15,098,396</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(2,975,899)</u>		<u>(5,673,345)</u>	
<b>NET CURRENT ASSETS</b>			<u>7,763,605</u>		<u>9,425,051</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,786,239</u>		<u>9,457,299</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<u>(2,430,000)</u>		<u>(6,225,872)</u>
<b>NET ASSETS</b>			<u><u>5,356,239</u></u>		<u><u>3,231,427</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		100		100
Profit and loss account	18		5,356,139		3,231,327
<b>SHAREHOLDERS' FUNDS</b>	19		<u><u>5,356,239</u></u>		<u><u>3,231,427</u></u>

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

*20th September 2014*

  
**P Crocker**  
 Director

The notes on pages 10 to 22 form part of these financial statements.

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**DELPH PROPERTY GROUP LIMITED**

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**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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	Note	2013 £	2012 £
Net cash flow from operating activities	20	5,373,256	(5,500,630)
Returns on investments and servicing of finance	21	(82,771)	(78,954)
Taxation		(372,729)	(16,440)
Capital expenditure and financial investment	21	(969)	6,251
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<u>4,916,787</u>	<u>(5,589,773)</u>
Financing	21	(3,171,672)	5,601,672
<b>INCREASE IN CASH IN THE YEAR</b>		<u><u>1,745,115</u></u>	<u><u>11,899</u></u>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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	2013 £	2012 £
Increase in cash in the year	1,745,115	11,899
Cash outflow from decrease in debt and lease financing	<u>3,171,672</u>	<u>(5,601,672)</u>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	4,916,787	(5,589,773)
Net (debt)/funds at 1 January 2013	<u>(4,318,703)</u>	<u>1,271,070</u>
<b>NET FUNDS/(DEBT) AT 31 DECEMBER 2013</b>	<u><u>598,084</u></u>	<u><u>(4,318,703)</u></u>

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The notes on pages 10 to 22 form part of these financial statements.

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## DELPH PROPERTY GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 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 on the sale of a property is recognised when completion of the sales contract occurs during the accounting 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:

Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	33.3% straight line

##### 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 directorss, 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.

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DELPH PROPERTY GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

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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:

	2013 £	2012 £
Revenue from trading properties	14,833,053	4,262,973
Revenue from investment properties	88,585	138,501
	<u>14,921,638</u>	<u>4,401,474</u>

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Management charges receivable	60,000	60,000
Rental income receivable	185,394	167,815
Sundry income	8,354	18,000
	<u>253,748</u>	<u>245,815</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	15,937	28,507
Auditors' remuneration	16,000	16,000
	<u></u>	<u></u>

Auditors' fees for the parent company were £15,000 (2012 - £15,000)

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DELPH PROPERTY GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

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5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	381,571	319,083
Social security costs	41,165	41,302
Other pension costs	117,500	-
	<u>540,236</u>	<u>360,385</u>

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

	2013 No.	2012 No.
Employees	<u>4</u>	<u>4</u>

6. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>-</u>	<u>70,000</u>
Company pension contributions to defined contribution pension schemes	<u>87,500</u>	<u>-</u>

During the year, retirement benefits accrued to 1 director (2012 - NIL) in respect of defined contribution pension schemes.

7. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	86,816	63,276
On other loans	43,084	52,896
Other interest payable	-	203
	<u>129,900</u>	<u>116,375</u>

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**DELPH PROPERTY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**8. EXCEPTIONAL ITEMS**

	2013 £	2012 £
Profit on disposal of short lease assets	-	17,744
	<u>          </u>	<u>          </u>

**9. TAXATION**

	2013 £	2012 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
UK corporation tax charge on profit for the year	690,500	75,000
Adjustments in respect of prior periods	(2,271)	(2,560)
	<u>          </u>	<u>          </u>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>688,229</u>	<u>72,440</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23/24% (2012 - 24/26%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	2,816,263	297,616
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23/24% (2012 - 24/26%)	668,862	71,372
<b>EFFECTS OF:</b>		
Adjustments to tax charge in respect of prior periods	(2,271)	(2,560)
Short term timing difference leading to an increase (decrease) in taxation	23,713	-
Other differences leading to an increase (decrease) in the tax charge	(2,075)	3,628
	<u>          </u>	<u>          </u>
<b>CURRENT TAX CHARGE FOR THE YEAR (see note above)</b>	<u>688,229</u>	<u>72,440</u>

**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 2013**

**10. TANGIBLE FIXED ASSETS**

	Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £
<b>GROUP COST</b>				
At 1 January 2013	94,867	43,943	28,925	23,878
Additions	-	-	-	969
Disposals	-	-	-	-
At 31 December 2013	94,867	43,943	28,925	24,847
<b>DEPRECIATION</b>				
At 1 January 2013	94,867	15,036	26,084	23,878
Charge for the year	-	8,668	946	323
On disposals	-	-	-	-
At 31 December 2013	94,867	23,704	27,030	24,201
<b>NET BOOK VALUE</b>				
At 31 December 2013	-	20,239	1,895	646
At 31 December 2012	-	28,907	2,841	-
<b>GROUP COST</b>			Lease premia £	Total £
At 1 January 2013			176,000	367,613
Additions			-	969
Disposals			(156,000)	(156,000)
At 31 December 2013			20,000	212,582
<b>DEPRECIATION</b>				
At 1 January 2013			169,449	329,314
Charge for the year			6,000	15,937
On disposals			(156,000)	(156,000)
At 31 December 2013			19,449	189,251
<b>NET BOOK VALUE</b>				
At 31 December 2013			551	23,331
At 31 December 2012			6,551	38,299

**DELPH PROPERTY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

<b>COMPANY</b>	Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
<b>COST</b>					
At 1 January 2013 and 31 December 2013	94,867	43,943	28,925	23,878	191,613
<b>DEPRECIATION</b>					
At 1 January 2013	94,867	15,036	26,084	23,878	159,865
Charge for the year	-	8,668	946	-	9,614
At 31 December 2013	94,867	23,704	27,030	23,878	169,479
<b>NET BOOK VALUE</b>					
At 31 December 2013	-	20,239	1,895	-	22,134
At 31 December 2012	-	28,907	2,841	-	31,748

**11. INVESTMENT PROPERTY**

<b>GROUP</b>	Freehold investment property £
<b>VALUATION</b>	
At 1 January 2013 and 31 December 2013	3,000

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**

<b>COMPANY</b>	Investment in subsidiary companies £
<b>COST</b>	
At 1 January 2013 and 31 December 2013	500
<b>NET BOOK VALUE</b>	
At 31 December 2013	500
At 31 December 2012	500

Details of the principal subsidiaries can be found under note number 26.

**DELPH PROPERTY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**13. STOCKS**

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
Stock of trading property	4,896,799	6,045,303	4,532,799	5,163,350

**14. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Other debtors	208,359	8,539,656	208,359	8,539,656

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	10,223	18,435	-	-
Amounts owed by group undertakings	-	-	1,737,409	84,105
Other debtors	4,039,924	4,876,721	2,928,245	164,016
Prepayments and accrued income	18,723	52,398	18,098	18,995
	4,068,870	4,947,554	4,683,752	267,116

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

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
Payments received on account	1,000	-	1,000	-
Trade creditors	301	277	-	-
Amounts owed to group undertakings	-	-	200	3,965,860
Corporation tax	413,373	97,873	352,873	70,873
Other taxation and social security	36,135	7,338	34,329	5,329
Other creditors	3,664,497	5,272,991	2,306,912	1,339,303
Accruals and deferred income	297,407	393,062	280,585	291,980
	4,412,713	5,771,541	2,975,899	5,673,345

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**DELPH PROPERTY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	2,430,000	5,601,672	2,430,000	-
Other creditors	-	6,225,872	-	6,225,872
	<u>2,430,000</u>	<u>11,827,544</u>	<u>2,430,000</u>	<u>6,225,872</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>GROUP</b>		<b>COMPANY</b>	
	2013	2012	2013	2012
	£	£	£	£
Repayable by instalments	2,430,000	-	2,430,000	-
	<u>2,430,000</u>	<u>-</u>	<u>2,430,000</u>	<u>-</u>

The bank borrowings are secured over the assets to which the loans relate.

**17. SHARE CAPITAL**

	2013	2012
	£	£
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**18. RESERVES**

<b>GROUP</b>	Profit and loss account £
At 1 January 2013	3,257,596
Profit for the financial year	2,128,034
At 31 December 2013	<u>5,385,630</u>

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**DELPH PROPERTY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. RESERVES (continued)**

	Profit and loss account £
<b>COMPANY</b>	
At 1 January 2013	3,231,327
Profit for the financial year	2,124,812
	<u>5,356,139</u>
At 31 December 2013	<u>5,356,139</u>

**19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
<b>GROUP</b>		
Opening shareholders' funds	3,257,696	3,032,520
Profit for the financial year	2,128,034	225,176
	<u>5,385,730</u>	<u>3,257,696</u>
Closing shareholders' funds	<u>5,385,730</u>	<u>3,257,696</u>

	2013 £	2012 £
<b>COMPANY</b>		
Opening shareholders' funds	3,231,427	3,022,148
Profit for the financial year	2,124,812	209,279
	<u>5,356,239</u>	<u>3,231,427</u>
Closing shareholders' funds	<u>5,356,239</u>	<u>3,231,427</u>

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 £2,124,812 (2012 - £209,278).

**20. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating profit	2,899,034	358,826
Depreciation of tangible fixed assets	15,937	28,507
Decrease/(increase) in stocks	1,148,504	(3,146,973)
Decrease/(increase) in debtors	9,209,980	(5,861,454)
(Decrease)/increase in creditors	(7,900,199)	3,120,464
	<u>5,373,256</u>	<u>(5,500,630)</u>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u>5,373,256</u>	<u>(5,500,630)</u>

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DELPH PROPERTY GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	47,129	37,421
Interest paid	(129,900)	(116,375)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u>(82,771)</u>	<u>(78,954)</u>
	2013 £	2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(969)	(12,749)
Sale of tangible fixed assets	-	2,256
Purchase of investment properties	-	(1,000)
Sale of investment properties	-	17,744
<b>NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE</b>	<u>(969)</u>	<u>6,251</u>
	2013 £	2012 £
<b>FINANCING</b>		
New secured loans	-	5,601,672
Repayment of loans	(3,171,672)	-
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>	<u>(3,171,672)</u>	<u>5,601,672</u>

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DELPH PROPERTY GROUP LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2013

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22. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	1,282,969	1,745,115	-	3,028,084
<b>DEBT:</b>				
Debts due within one year	-	3,171,672	(3,171,672)	-
Debts falling due after more than one year	(5,601,672)	-	3,171,672	(2,430,000)
<b>NET DEBT</b>	<u>(4,318,703)</u>	<u>4,916,787</u>	<u>-</u>	<u>598,084</u>

23. 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 £117,500 (2012:£nil).

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## DELPH PROPERTY GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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#### 24. 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 £ 310,643 (2012: £ 674,337) owed to the directors, P Crocker, O H Crocker, A G Crocker, F T Crocker and J J Crocker and members of the close family of the directors. Interest payable includes a total interest charge of £43,084 (2012: £52,896) in relation to these loans.

Included within other debtors for the group, is a balance of £20,269 (2012: £17,903) owed by Delph 1 LLP, a limited liability partnership in which one of the directors is a member. These balances were repaid shortly after the year end.

Other debtors also includes a balance of £45,764 (2012: £18,442) owed by Delph 2 LLP, a limited liability partnership in which one of the directors is a member. These balances were repaid shortly after the year end.

Also included within other debtors is a balance of £39,935 (2012: £35,805) owed by Delph 3 LLP, a limited liability partnership in which one of the directors is a member. These balances were repaid shortly after the year end.

A JANE arrangement (as defined in accounting policy note 1.9) exists between Wigmore Investments (UK) Limited, a company controlled by H Crocker, a member of the close family of P Crocker, Pearl Property Limited, a company in which P Crocker is also a director, Delph Property Group Limited, the holding company and DPG 1 Limited, a subsidiary of the company.

In line with the group's accounting policy note 1.9, the group financial statements include closing stock of £4,486,408 (2012 - £5,634,912), income of £14,983,496 (2012 - £3,275,890), costs of £11,613,197 (2012 - £2,532,869), balances in debtors of £2,680,698 (2012 - £4,638,552) and balances in creditors of £8,904,531 (2012 - £2,150,303) under the terms of these arrangements. The company's financial statements include closing stock of £4,486,408 (2012 - £5,116,959), income of £14,201,552 (2012 - £3,223,664), costs of £11,019,152 (2012 - £2,496,038), balances in debtors of £2,680,698 (2012 - £77,341) and balances in creditors of £5,092,472 (2012 - £213,417) under the terms of these JANE arrangements.



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**DELPH PROPERTY GROUP LIMITED**

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

	2013 £	2012 £
<b>Company</b>		
<b>Debtors/(Creditors) due in less than one year</b>		
Howard Crocker Investments Limited	-	(300,084)
Jubilee Securities Limited	(6,406)	(6,406)
Pearl Property Limited	(1,874,331)	-
Wigmore Investments (UK) Limited	453,700	-
<b>Debtors/(Creditors) due in greater than one year</b>		
Delph Investments Limited	-	7,886,172
Pearl Property Limited	-	(6,330,557)
Tabletalk Media Limited	208,359	330,859
<b>Group</b>		
<b>Debtors/(Creditors) due in less than one year</b>		
Howard Crocker Investments Limited	-	(300,084)
Jubilee Securities Limited	(6,406)	(6,406)
Pearl Property Limited	105,171	-
Wigmore Investments (UK) Limited	335,725	4,561,211
Paul Securities Limited	-	(1,200,000)
<b>Debtors/(Creditors) due in greater than one year</b>		
Delph Investments Limited	-	7,886,172
Pearl Property Limited	-	(6,330,557)
Tabletalk Media Limited	208,359	330,859

**25. CONTROLLING PARTY**

The ultimate controlling party is the director, P Crocker.

**26. 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