

DELROSE DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016

**REGISTRAR'S COPY
OF ACCOUNTS**



Cavendish
Chartered Certified Accountants
68 Grafton Way
London
W1T 5DS

Ref: 6484

DELROSE DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	A C Smith	
	S A Khan	
	Z R Wozniak	
	AA Khan	
	D J Kennedy	(Appointed 1 February 2016)
	B Green	(Appointed 1 February 2016)
	A Pickering	(Appointed 6 October 2016)

Secretary	AA Khan
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Company number	07697345
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Registered office	Parkway House Sheen Lane East Sheen London SW14 8LS
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Auditor	Cavendish Chartered Certified Accountants Statutory Auditor 68 Grafton Way London W1T 5DS
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Bankers	Handelsbanken Richmond Branch 31 The Green Richmond Surrey TW9 1LX
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DELROSE DEVELOPMENTS LIMITED

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DELROSE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2016

The directors present their annual report and financial statements for the period ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of property development.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A C Smith	
S A Khan	
Z R Wozniak	
AA Khan	
D J Kennedy	(Appointed 1 February 2016)
B Green	(Appointed 1 February 2016)
A Pickering	(Appointed 6 October 2016)
P C Schorb	(Appointed 1 February 2016 and resigned 30 September 2016)

Results and dividends

The results for the period are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Cavendish, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

DELROSE DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

AA Khan
Director

6 December 2016



DELROSE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DELROSE DEVELOPMENTS LIMITED

We have audited the financial statements of Delrose Developments Limited for the period ended 31 March 2016 set out on pages 5 to 15. 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".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

DELROSE DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DELROSE DEVELOPMENTS LIMITED

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; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.



Sonja Henry FCA (Senior Statutory Auditor)
for and on behalf of Cavendish

7 December 2016

Chartered Certified Accountants
Statutory Auditor

68 Grafton Way
London
W1T 5DS

DELROSE DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

		Period ended 31 March 2016 £	Year ended 31 July 2015 £
	Notes		
Turnover	3	431,145	1,427,939
Cost of sales		(316,564)	(875,077)
Gross profit		114,581	552,862
Administrative expenses		(3,774)	(5,923)
Operating profit	4	110,807	546,939
Interest payable and similar charges	5	-	(6)
Profit before taxation		110,807	546,933
Taxation	6	(22,161)	(112,984)
Profit for the financial period	12	88,646	433,949

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DELROSE DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Current assets					
Stocks	8	2,435,723		1,550,336	
Debtors	9	10,409		29,980	
Cash at bank and in hand		453,417		672,742	
		<u>2,899,549</u>		<u>2,253,058</u>	
Creditors: amounts falling due within one year	10	<u>(2,707,735)</u>		<u>(2,149,890)</u>	
Net current assets			<u>191,814</u>		<u>103,168</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss reserves	12		190,814		102,168
Total equity			<u>191,814</u>		<u>103,168</u>

4) The financial statements were approved by the board of directors and authorised for issue on 8 December 2016 and are signed on its behalf by:

AA Khan
Director



Company Registration No. 07697345

DELROSE DEVELOPMENTS LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2014		1,000	8,535	9,535
Period ended 31 July 2015:				
Profit and total comprehensive income for the period		-	433,949	433,949
Dividends	7	-	(340,316)	(340,316)
Balance at 31 July 2015		1,000	102,168	103,168
Period ended 31 March 2016:				
Profit and total comprehensive income for the period		-	88,646	88,646
Balance at 31 March 2016		1,000	190,814	191,814

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

Company information

Delrose Developments Limited is a company limited by shares incorporated in England and Wales. The registered office is Parkway House, Sheen Lane, East Sheen, London, SW14 8LS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 March 2016 are the first financial statements of Delrose Developments Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company will be consolidated in the financial statements of Glenstone Property PLC. These consolidated financial statements are available from its registered office, Parkway House, Sheen Lane, London SW14 8LS.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer (usually on completion of contracts), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.4 Stocks

Property stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Costs of stocks comprise purchase and development costs of properties which are allocated to the specific properties to which they relate.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Property sales	430,000	1,427,000
Ground rent receivable	1,145	939
	<u>431,145</u>	<u>1,427,939</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>431,145</u>	<u>1,427,939</u>

4 Operating profit

Operating profit for the period is stated after charging/(crediting):

	2016 £	2015 £
Fees payable to the company's auditor for the audit of the company's financial statements	2,400	3,100
Cost of stocks recognised as an expense	<u>2,735,723</u>	<u>2,349,568</u>

5 Interest payable and similar charges

	2016 £	2015 £
Other interest	-	6
	<u>-</u>	<u>6</u>

6 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	22,161	113,028
Adjustments in respect of prior periods	-	(44)
	<u>22,161</u>	<u>112,984</u>

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

6 Taxation

(Continued)

The actual charge for the period can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	110,807	546,933
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	22,161	114,856
Adjustments in respect of prior years	-	(44)
Effect of change in corporation tax rate	-	(1,828)
Tax expense for the period	22,161	112,984

7 Dividends

	2016 £	2015 £
Interim paid	-	340,316

8 Stocks

	2016 £	2015 £
Property stocks	2,435,723	1,550,336

9 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	215	1,867
Other debtors	3,635	21,389
Prepayments and accrued income	6,559	6,724
	10,409	29,980

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2016

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	11,598	56,244
Amounts due to group undertakings	2,557,564	1,957,564
Corporation tax	135,189	113,028
Other creditors	984	20,050
Accruals and deferred income	2,400	3,004
	<u>2,707,735</u>	<u>2,149,890</u>

11 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

12 Profit and loss reserves

	2016 £	2015 £
At the beginning of the period	102,168	8,535
Profit for the period	88,646	433,949
Dividends	-	(340,316)
	<u>190,814</u>	<u>102,168</u>

13 Operating lease commitments

Lessor

The operating leases represent leases of investment properties to third parties. The leases are negotiated over terms of 15 to 125 years. All leases include a provision for periodic upward rent reviews according to the lease terms. There are no options in place for either party to extend the lease terms.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2016 £
Within one year	26,500
Between two and five years	106,000
In over five years	962,212
	<u>1,094,712</u>

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

14 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Direct costs	
	2016	2015
	£	£
Other related parties	113,263	278,160
	<u>113,263</u>	<u>278,160</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Entities with control, joint control or significant influence over the company	2,557,564	1,957,564
	<u>2,557,564</u>	<u>1,957,564</u>

15 Controlling party

The immediate parent company and controlling party is Amdale Securities Limited.

The ultimate parent company is Glenstone Property PLC.

The smallest and largest group into which the company is consolidated is Glenstone Property PLC.