

Company Registration No. 07697345 (England and Wales)

DELROSE DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



DELROSE DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	A C Smith S A Khan Z R Wozniak B Green D J Kennedy A Pickering A A Khan	(Appointed 6 October 2016)
Secretary	A A Khan	
Company number	07697345	
Registered office	Parkway House Sheen Lane London SW14 8LS	
Auditor	Clear & Lane Limited 340 Melton Road Leicester LE4 7SL	
Business address	Parkway House Sheen Lane London SW14 8LS	
Bankers	Handelsbanken Richmond Branch 31 The Green Richmond Surrey TW9 1LX	

DELROSE DEVELOPMENTS LIMITED

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DELROSE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

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

Directors

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

A C Smith

S A Khan

Z R Wozniak

B Green

D J Kennedy

A Pickering

(Appointed 6 October 2016)

AA Khan

P C Schorb

(Resigned 30 September 2016)

Results and dividends

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

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

Auditor

Clear & Lane Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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;
- 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 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

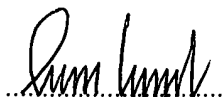
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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



A C Smith

Director

11/07/2017

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 year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 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 2017 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

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 entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Clear & Lane Limited

**Richard Lodder (Senior Statutory Auditor)
for and on behalf of Clear & Lane Limited
Chartered Accountants
Statutory Auditor**

340 Melton Road
Leicester
LE4 7SL

19th July 2017

DELROSE DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	1,790,967	431,145
Cost of sales		(1,375,261)	(316,564)
Gross profit		415,706	114,581
Administrative expenses		(12,797)	(3,774)
Operating profit	4	402,909	110,807
Interest payable and similar expenses	5	(78,427)	-
Profit before taxation		324,482	110,807
Taxation	6	(64,896)	(22,161)
Profit for the financial year		259,586	88,646

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

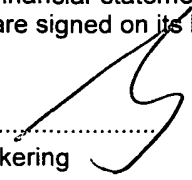
DELROSE DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Stocks	7	2,231,841		2,435,723	
Debtors	8	17,067		10,409	
Cash at bank and in hand		59,261		453,417	
		<u>2,308,169</u>		<u>2,899,549</u>	
Creditors: amounts falling due within one year	9	<u>(1,856,769)</u>		<u>(2,707,735)</u>	
Net current assets			<u>451,400</u>		<u>191,814</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss reserves			450,400		190,814
Total equity			<u>451,400</u>		<u>191,814</u>

The financial statements were approved by the board of directors and authorised for issue on 11/07/2017 and are signed on its behalf by:


A Pickering
Director

Company Registration No. 07697345

DELROSE DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2015	1,000	102,168	103,168
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	88,646	88,646
Balance at 31 March 2016	1,000	190,814	191,814
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	259,586	259,586
Balance at 31 March 2017	<u>1,000</u>	<u>450,400</u>	<u>451,400</u>

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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.

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 average weighted 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 will be available from its registered office, Parkway House, Sheen Lane, East Sheen, London, SW14 8LS.

1.2 Going concern

The directors have obtained confirmation from Glenstone Property PLC, the ultimate parent company, that it will continue to provide ongoing financial support to enable the company to continue in business and meet its liabilities as they fall due for the foreseeable future. In particular it has been confirmed that the group creditor included in liabilities within one year of £1,674,524 will not be called for payment until cashflow allows. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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 exchange 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.

Cost 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 YEAR ENDED 31 MARCH 2017

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 publicly 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.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

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.

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

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.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover		
Property sales	1,770,250	430,000
Rent receivable	20,717	1,145
	<u>1,790,967</u>	<u>431,145</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	2,400
Cost of stocks recognised as an expense	<u>1,226,450</u>	<u>300,000</u>

5 Interest payable and similar expenses

	2017 £	2016 £
Other interest on financial liabilities	78,288	-
Other interest on non-financial liabilities	139	-
	<u>78,427</u>	<u>-</u>

6 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	<u>64,896</u>	<u>22,161</u>

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

6 Taxation

(Continued)

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

	2017 £	2016 £
Profit before taxation	324,482	110,807
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	64,896	22,161
Taxation for the year	64,896	22,161

7 Stocks

	2017 £	2016 £
Property stocks	2,231,841	2,435,723

8 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,425	215
Other debtors	9,289	3,635
Prepayments and accrued income	5,353	6,559
	17,067	10,409

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	83,266	11,598
Amounts due to group undertakings	1,674,524	2,557,564
Corporation tax	64,896	135,189
Other creditors	26,533	984
Accruals and deferred income	7,550	2,400
	1,856,769	2,707,735

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

The company has one class of ordinary shares which carry no right to fixed income.

11 Operating lease commitments

Lessor

The operating leases represent leased properties included in stock leased 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:

	2017 £	2016 £
Within one year	27,500	26,500
Between two and five years	110,000	106,000
In over five years	243,452	178,523
	<u>380,952</u>	<u>311,023</u>

12 Related party transactions

Transactions with related parties

	Direct costs		Interest	
	2017 £	2016 £	2017 £	2016 £
Entities with control, joint control or significant influence over the company	-	-	78,288	-
Other related parties	82,500	113,263	-	-
	<u>82,500</u>	<u>113,263</u>	<u>78,288</u>	<u>-</u>

DELROSE DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

12 Related party transactions

(Continued)

	Amounts owed to related parties	
	2017 £	2016 £
Entities with control, joint control or significant influence over the company	1,752,812	2,557,564
	<u>1,752,812</u>	<u>2,557,564</u>

The balance is unsecured, repayable on demand. Interest was charged for part of the year at a rate of 3.5% p.a and will continue at a rate of 3.5% p.a.

13 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.