REGISTERED NUMBER: 07697345

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

FOR

DELROSE DEVELOPMENTS LIMITED

Magma Audit LLP
Chartered Accountants
Statutory Auditor
340 Melton Road
Leicester
LE4 7SL

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

DELROSE DEVELOPMENTS LIMITED

COMPANY INFORMATION
for the year ended 31 March 2018

DIRECTORS:	B P Green D J Kennedy S A Khan A J Pickering A C Smith Z R Wozniak
REGISTERED OFFICE:	Parkway Hosue Sheen Lane London SW14 8LS
REGISTERED NUMBER:	07697345
AUDITORS:	Magma Audit LLP Chartered Accountants Statutory Auditor 340 Melton Road Leicester LE4 7SL
BANKERS:	Handelsbanken Richmond Branch 31 The Green Richmond Surrey TW9 1LX

REPORT OF THE DIRECTORS
for the year ended 31 March 2018

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES
The principal activities of the company in the year under review were those of property development.

DIVIDENDS
Interim dividends of £200,000 were paid in the year.

The directors do not recommend a final dividend.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

B P Green
D J Kennedy
S A Khan
A J Pickering
A C Smith
Z R Wozniak

Other changes in directors holding office are as follows:

A A Khan - resigned 12 September 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A C Smith - Director

20 June 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DELROSE DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Delrose Developments Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Richard Lodder (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
340 Melton Road
Leicester
LE4 7SL

26 June 2018

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2018

	Notes	2018 £	2017 £
TURNOVER	3	**457,510**	1,790,967
Cost of sales		**(216,724)**	(1,375,261)
GROSS PROFIT		**240,786**	415,706
Administrative expenses		**(117,887)**	(12,797)
OPERATING PROFIT	6	**122,899**	402,909
Interest payable and similar expenses	7	**(69,073)**	(78,427)
PROFIT BEFORE TAXATION		**53,826**	324,482
Tax on profit	8	**(10,227)**	(64,896)
PROFIT FOR THE FINANCIAL YEAR		**43,599**	259,586
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**43,599**	259,586

The notes form part of these financial statements

BALANCE SHEET
31 March 2018

	Notes	2018 £	2017 £
CURRENT ASSETS			
Stocks	10	**2,570,139**	2,231,841
Debtors	11	**6,445**	17,067
Cash at bank		**31,936**	59,261
		2,608,520	2,308,169
CREDITORS			
Amounts falling due within one year	12	**(2,313,521)**	(1,856,769)
NET CURRENT ASSETS		**294,999**	451,400
TOTAL ASSETS LESS CURRENT LIABILITIES		**294,999**	451,400
CAPITAL AND RESERVES			
Called up share capital	14	**1,000**	1,000
Profit and loss reserve		**293,999**	450,400
SHAREHOLDERS' FUNDS		**294,999**	451,400

The financial statements were approved by the Board of Directors on 20 June 2018 and were signed on its behalf by:

A J Pickering - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2018

	Called up share capital £	Profit and loss reserve £	Total equity £
Balance at 1 April 2016	1,000	190,814	191,814
Changes in equity			
Total comprehensive income	-	259,586	259,586
Balance at 31 March 2017	1,000	450,400	451,400
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	43,599	43,599
Balance at 31 March 2018	1,000	293,999	294,999

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2018

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

General information
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 Company's 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 £.

Delrose Developments Limited is a subsidiary of Glenstone Property PLC and the results of Delrose Developments Limited will be included in the consolidated financial statements of Glenstone Property PLC which will be available from its registered office, Parkway House, Sheen Lane, East Sheen, London, SW14 8LS.

Summary of significant accounting policies
The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparing the financial statements
The preparation of the company's financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The significant assumptions and estimates to the financial statements are disclosed within the notes to the accounts.

The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cashflow, on the basis that it is qualifying entity and the consolidated statement of cashflow, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

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.

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 £2,229,524, will not be called for payment until the cashflow allows. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover
The company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover represents revenue from the sale of properties and rental income from operating leases.

Rental income from operating leases is recognised on a straight line basis over the term of the rental lease.

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.

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.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Capital and reserves
The profit and loss reserve reflects accumulated comprehensive income to date less distributions paid.

continued...

2. **ACCOUNTING POLICIES - continued**

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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

(i) 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. Such assets are subsequently carried at amortised cost using the effective rate interest method.

Trade debtors are recognised initially at invoice value and are subsequently measured less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the profit and loss account.

(ii) 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.

(iii) Derecognition of financial assets

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(iv) 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.

(v) Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

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.

continued...

2. ACCOUNTING POLICIES - continued

Financial instruments - continued

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

(vi) Derecognition of financial liabilities

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

Equity instruments
Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Distributions to equity holders, recognised as a liability in the financial statements in the period in which they approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Critical accounting estimates and assumptions
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.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

(i) Carrying value of stock

The company holds property stock which is subject to fluctuating market conditions. As a result it is necessary to consider both the cost and net realisable value of property stock at each year end when determining the carrying value of the stock in the financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Property sales	445,000	1,770,250
Rent receivable	12,510	20,717
	457,510	1,790,967

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 March 2018 nor for the year ended 31 March 2017.

The average number of employees during the year was as follows:

	2018	2017
Directors	6	7

continued...

5. **DIRECTORS' EMOLUMENTS**

	2018	2017
	£	£
Directors' remuneration	-	-

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	7,000	5,000
Cost of stocks recognised as an expense	203,330	1,226,450

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Other interest on financial liabilities	68,945	78,288
Other interest on non-financial liabilities	128	139
	69,073	78,427

8. **TAXATION**

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	10,227	64,896
Tax on profit	10,227	64,896

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:

	2018	2017
	£	£
Profit before taxation	53,826	324,482
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	10,227	64,896
Taxation for the year	10,227	64,896

9. **DIVIDENDS**

	2018	2017
	£	£
Ordinary Shares shares of 1 each		
Interim	200,000	-

continued...

10. STOCKS

	2018	2017
	£	£
Property stocks	**2,570,139**	2,231,841

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	-	2,425
VAT	**6,445**	9,289
Prepayments and accrued income	-	5,353
	6,445	17,067

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	**4,830**	83,266
Amounts owed to group undertakings	**2,229,524**	1,674,524
Corporation tax	**10,227**	64,896
Other creditors	-	26,533
Accruals and deferred income	**68,940**	7,550
	2,313,521	1,856,769

13. LEASING AGREEMENTS

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:

	2018	2017
	£	£
Within one year	-	27,500
Between two and five years	-	110,000
In over five years	-	243,452
	-	380,952

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
1,000	Ordinary Shares	1	**1,000**	1,000

The company has one class of ordinary shares which carry no right to fixed income. The shares carry no special rights or restrictions. Each share carries one vote.

continued...

15. **RELATED PARTY DISCLOSURES**

At the year end companies with common ownership were due £2,266,464 (2017: £1,752,812) from Delrose Developments Limited. Interest of 3.5% is charged on these balances amounting to £68,945 (2017: £78,288) during the year and is repayable on demand.

During the year, Delrose Developments Limited paid management charges of £108,333 (2017: £nil) to the ultimate parent of the group.

At the year end there was a balance due to a company deemed to be a related party by virtue of common directorship of £1,450 (2017: £nil). During the year purchases of £287,430 (2017: £82,500) were made from this company.

16. **ULTIMATE 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.