

DBAY UK Limited
Financial statements
31 December 2015



DBAY UK Limited

Contents

For the year ended 31 December 2015

Contents	Pages
Officers and professional advisers	2
Directors' report	3
Statement of directors' responsibilities	4
Report of the Independent Auditors	5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 to 14

DBAY UK Limited

**Officers and professional advisors
For the year ended 31 December 2015**

Company registration number	07800703
The Board of Directors	Mr M Branigan Mr N Hargrave
Company secretary / Registered office	TMF Corporate Administration Services Limited 6 St. Andrew Street 5th Floor London EC4A 3AE
Independent auditors	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM99 1HN
Bankers	Barclays Bank plc Isle of Man Barclays House Victoria Street Douglas Isle of Man IM99 1AJ
Solicitors	Appleby 33-37 Athol Street Douglas Isle of Man IM1 1LB

DBAY UK Limited
Directors' report
For the year ended 31 December 2015

The Directors present their annual report and financial statements of the Company for the year ended 31 December 2015.

Principal activity and review of the business

The Company was incorporated on 6 October 2011 and commenced trading on 15 March 2013.
The principal activity of the Company during the year was acting as a provider of management services.

Results and dividends

During the year the Company made a profit after taxation of £39,761 (2014: £18,006). The Directors do not recommend paying a dividend for the year ended 31 December 2015 (2014: £Nil).

Directors

The Directors who served the Company during the year and to date are shown on page 2.

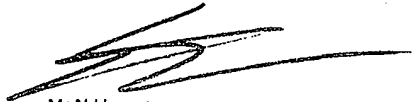
The directors have no interests in the shares of the Company.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit LLC will therefore continue in office.

The Directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the board on 5 April 2016
and signed on its behalf by



Mr N Hargrave
Director

DBAY UK Limited

Statement of Directors' responsibilities in respect of the Directors Report and Financial Statements For the year ended 31 December 2015

The Directors are responsible for preparing 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 International Financial Reporting Standards. 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 year.

The financial statements are required by law to 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 year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Financial Reporting Standards as endorsed by the E
- 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.

DBAY UK Limited

Report of the Independent auditors, KPMG Audit LLC, to the member of DBAY UK Limited For the year ended 31 December 2015

We have audited the financial statements of DBAY UK Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as endorsed by the EU (IFRSs) as applied in accordance with the provisions of the Companies Act 2006.

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 set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2015 and of its profit for the year then ended; and
- have been properly prepared in accordance with IFRSs; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

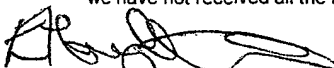
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial 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 Acts 2006 require us to report to you if, in our opinion

- proper books of account have not been kept and proper returns adequate for our audit have not been received from branches not visited by us; or
- the Company's statement of financial position and statement of comprehensive income are not in agreement with the books of account 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.


Edward Houghton, Senior Statutory Auditor
For and on behalf of KPMG Audit LLC, Statutory Auditor
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

18 April 2016

DBAY UK Limited
Statement of comprehensive income
For the year ended 31 December 2015

	Notes	2015	2014
		£	£
Revenue		695,117	349,284
Administrative expenses		(644,110)	(326,071)
Profit before tax	3	51,007	23,213
Income tax expense	5	(11,246)	(5,207)
Profit and comprehensive income for the year/period		39,761	18,006

The accompanying notes form an integral part of these financial statements.

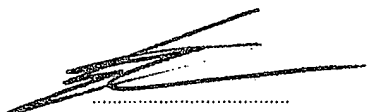
The Directors consider that all results derive from continuing activities.

DBAY UK Limited
Statement of financial position
For the year ended 31 December 2015

	Notes	2015 £	2014 £
Assets			
Non current assets			
Fixed assets	6	207	482
Current assets			
Cash & cash equivalents		15,446	7,937
Trade and other receivables	10	79,593	80,111
		<u>95,039</u>	<u>88,048</u>
Total assets		<u>95,246</u>	<u>88,530</u>
Liabilities			
Current liabilities			
Trade and other payables	11	26,058	64,662
Taxation payable		10,201	4,642
		<u>36,259</u>	<u>69,304</u>
Total liabilities		<u>36,259</u>	<u>69,304</u>
Net assets		<u>58,987</u>	<u>19,226</u>
Equity			
Issued capital and reserves			
Issued share capital	12	1	1
Retained profit		58,986	19,225
Total equity		<u>58,987</u>	<u>19,226</u>

The accompanying notes form an integral part of these financial statements.

Approved by the Board of Directors on 8 April 2016 signed on its behalf by



Mr N Hargrave, Director

DBAY UK Limited**Statement of changes in equity****For the year ended 31 December 2015**

	Issued share capital £	Retained earnings £	Total equity £
At 1 January 2014	1	1,219	1,220
Share Capital issued	-	-	-
Total comprehensive income			
Profit for the year	-	18,006	18,006
Balance at 31 December 2014	1	19,225	19,226
	Issued share capital £	Retained earnings £	Total equity £
At 1 January 2015	1	19,225	19,226
Total comprehensive income			
Profit for the year	-	39,761	39,761
Balance at 31 December 2015	1	58,986	58,987

The accompanying notes form an integral part of these financial statements.

DBAY UK Limited**Statement of cash flows****For the year ended 31 December 2015**

	Notes	2015 £	2014 £
Cash flows from operating activities			
Profit for the year		39,761	18,006
Adjustments to reconcile to profit from operations			
Depreciation	6	275	69
Taxation expense	5	11,246	5,207
Operating profit		<u>51,282</u>	<u>23,282</u>
Changes in working capital			
Increase in trade and other receivables		518	(58,076)
Increase in trade and other payables		(38,604)	44,153
Decrease in working capital		<u>(38,086)</u>	<u>(13,924)</u>
Cash flows used in other operating activities			
Fixed assets		-	(551)
Payments of taxation		(5,687)	(870)
Net cash flows generated by operating activities		<u>(5,687)</u>	<u>-</u>
Net movement in cash and cash equivalents		7,509	7,937
Cash and cash equivalents at 1 January		7,937	-
Cash and cash equivalents as at 31 December		<u>15,447</u>	<u>7,937</u>

The accompanying notes form an integral part of these financial statements.

DBAY UK Limited

Notes to the financial statements

For the year ended 31 December 2015

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS'S

The Company was incorporated on 6 October 2011 and commenced trading on 15 March 2013.

The Company's financial statements have been prepared historical cost convention. The principle accounting policies adopted by the company are set out in note 2.

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The financial statements have been prepared in Great British Pounds (£), which is the Company's functional and presentational currency, on the historical cost basis. The principle accounting policies adopted by the Company are set out in note 2.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

(d) Going concern

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reasons: The Company is dependent for its working capital on funds provided to it by DBAY Advisors Limited, the Company's ultimate parent. DBAY Advisors Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available. The Directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

2. ACCOUNTING POLICIES

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes. Revenue consists of group management services fees receivable for the year/period, exclusive of Value Added Tax.

Expenses

Expenses are recognised to the extent that it is probable that the economic benefits will flow out of the Company and the expenses can be reliably measured. All such expenses are reported net of discounts and value added and other sales taxes.

Fixed assets

Property, plant and equipment is carried at cost less accumulated depreciation which is charged straight line over their estimated useful lives of 24-36 months.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from net profit as reported in the income statement 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 statement of financial position date.

Trade and other receivables

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost.

Provision is made for doubtful debts where, in the opinion of management, the original invoice amount will not be recovered. Any provision for doubtful debts represents management's estimate of the irrecoverable amount.

DBAY UK Limited
Notes to the financial statements
For the year ended 31 December 2015

2. ACCOUNTING POLICIES (Continued)

Trade and other payables

Trade and other payables are measured at fair value.

New and Proposed Accounting Standards

(a) New currently effective requirements: the adoption of these standards and amendments have not had a significant impact on the financial statements.

Accounting for Acquisitions of Interests in Joint Operations	Endorsed 24 November 2015; IASB effective date 1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	Endorsed 2 December 2015; IASB effective date 1 January 2016
Annual Improvements to IFRSs – 2012-2014 Cycle	Endorsed 15 December 2015; IASB effective date 1 January 2016
Disclosure Initiative – Amendments to IAS 1	Endorsed 18 December 2015; IASB effective date 1 January 2016

(b) New standards or amendments: A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. Those which are relevant to the Company are set out below. The Group does not plan to early adopt these standards and are not thought to have a significant impact on the financial statements.

IFRS 14 Regulatory Deferral Accounts	Not yet endorsed; IASB effective date 1 January 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28	Not yet endorsed; IASB effective date 1 January 2016
Effective date of IFRS 15 – amendment to IFRS 15	Not yet endorsed; IASB effective date 1 January 2018
IFRS 16 Leases	Not yet endorsed; IASB effective date 1 January 2019

DBAY UK Limited
Notes to the financial statements
For the year ended 31 December 2015

3. PROFIT BEFORE TAX

Profit before tax is stated after charging the following:

	2015 £	2014 £
Auditors' remuneration - audit services	<u>9,183</u>	<u>7,234</u>

4. PARTICULARS OF EMPLOYEES

	2015 No.	2014 No.
Number of management staff	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	515,000	244,500
Social security costs	67,521	30,474
Other pension costs	<u>36,000</u>	<u>24,450</u>
	<u>618,521</u>	<u>299,424</u>

The directors of the Company received remuneration of £404,000 (2014: £165,825), with the highest paid director receiving £202,000 (2014: £103,125).

5. INCOME TAX

Components of income tax expense

	2015 £	2014 £
Current income tax expense		
Current income tax charge at 20% (2014: 20%)	<u>11,246</u>	<u>5,207</u>
Reconciliation of income tax charge		
Profit on ordinary activities before tax	<u>51,007</u>	<u>23,213</u>
Profit on ordinary activities before tax multiplied by the rate of UK corporation tax of 20% (2014: 20%)	10,201	4,643
Prior year underprovision	<u>1,045</u>	<u>564</u>
	<u>11,246</u>	<u>5,207</u>

The tax charge consists wholly of UK Corporation Tax.

6. FIXED ASSETS

	2015 £	2014 £
Cost		
As at 1 January	551	-
Additions in the year	-	551
As at 31 December	<u>551</u>	<u>551</u>
Accumulated Depreciation		
As at 1 January	69	-
Charge for the year	<u>275</u>	<u>69</u>
As at 31 December	<u>344</u>	<u>69</u>
Net book value as at 31 December	<u>207</u>	<u>482</u>

DBAY UK Limited
Notes to the financial statements
For the year ended 31 December 2015

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a range of financial risks. These risks can be categorised as credit risk and liquidity risk. All other risks are not considered significant.

Credit risk

Credit risk is the risk that arises when one party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is limited to the risk that its receivables from related parties are not recoverable. The company's cash and cash equivalents consists of cash held at Barclays Bank Plc. The bank is a reputable institution with A credit ratings by well-known credit rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is dependent for its working capital on funds provided to it by DBAY Advisors Limited. DBAY Advisors Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available.

8. FINANCIAL INSTRUMENTS

	Carrying amount 2015 £	Fair value 2015 £	Carrying amount 2014 £	Fair value 2014 £
Financial assets				
Cash and cash equivalents	15,446	15,446	7,937	7,937
Trade and other receivables	79,593	79,593	80,111	80,111
Financial liabilities				
Trade and other payables	26,058	26,058	64,662	64,662

9. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The ultimate parent company of DBAY UK Limited is DBAY Advisors Limited, a company incorporated in the Isle of Man. The parent of the largest and smallest group for which group accounts including DBAY UK Limited are drawn up is DBAY Advisors Limited.

Trading activities

Receivable from related parties	2015 £	2014 £
DBAY Advisors Limited	79,125	-
	<u>79,125</u>	<u>-</u>

Amounts receivable from related parties are interest free, unsecured and repayable on demand.

Payable to related parties

	2015 £	2014 £
DouglasBay Capital plc	10,637	10,441
DBay Advisors Limited	-	36,997
	<u>10,637</u>	<u>47,438</u>

Amounts due to related parties are interest free, unsecured and repayable on demand.

Key management compensation

See Note 4 for details of directors remuneration.

DBAY UK Limited

Notes to the financial statements

For the year ended 31 December 2015

10. TRADE AND OTHER RECEIVABLES

	Notes	2015 £	2014 £
Receivable from related parties	9	79,125	-
Prepayments		332	1,833
VAT receivable		136	78,278
		<u>79,593</u>	<u>80,111</u>

Amounts receivable from related parties are interest free, unsecured and repayable on demand.

11. TRADE AND OTHER PAYABLES

	Notes	2015 £	2014 £
Current			
Other creditors		5,622	10,224
Accrued liabilities		9,799	7,000
Payable to related parties	9	10,637	47,437
		<u>26,058</u>	<u>64,661</u>

Amounts due to related parties are interest free, unsecured and repayable on demand.

12. SHARE CAPITAL

Authorised share capital

	2015 Number of Equity £1 shares	2015 £	2014 Number of Equity £1 shares	2014 £
Ordinary share capital	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Issue share capital

	2015 Number of Equity £1 shares	2015 £	2014 Number of Equity £1 shares	2014 £
Issued				
Ordinary share capital				
At 1 January	1	1	1	1
Issued during the period	-	-	-	-
At 31 December	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>