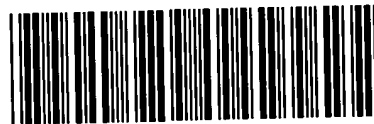


DBAY UK Limited

Financial statements

31 December 2016

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Company registration number 7800703

DBAY UK Limited

Contents

For the year ended 31 December 2016

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

DEAY UK Limited

Officers and professional advisors

For the year ended 31 December 2016

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 2016

The Directors present their annual report and financial statements of the Company for the year ended 31 December 2016.

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 £27,577 (2015: £39,761). The Directors do not recommend paying a dividend for the year ended 31 December 2016 (2015: £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.

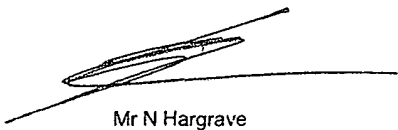
Auditors

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
and signed on its behalf by

25 April 2017



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 2016

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 EU; and
- 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 2016

We have audited the financial statements of DBAY UK Limited for the year ended 31 December 2016, 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 2016 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

25 April 2017

DBAY UK Limited**Statement of comprehensive income
For the year ended 31 December 2016**

	Notes	2016	2015
		£	£
Revenue		538,235	695,117
Administrative expenses		(504,859)	(644,110)
Profit before tax	3	<u>33,376</u>	<u>51,007</u>
Income tax expense	5	(5,799)	(11,246)
Profit and comprehensive income for the year/period		<u>27,577</u>	<u>39,761</u>

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

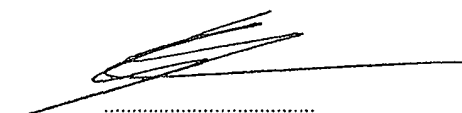
The Directors consider that all results derive from continuing activities.

DBAY UK Limited**Statement of financial position
For the year ended 31 December 2016**

	Notes	2016 £	2015 £
Assets			
Non current assets			
Fixed assets	6	-	207
Current assets			
Cash & cash equivalents		20,361	15,446
Trade and other receivables	10	111,289	79,593
		<u>131,650</u>	<u>95,039</u>
Total assets		<u>131,650</u>	<u>95,246</u>
Liabilities			
Current liabilities			
Trade and other payables	11	38,411	26,058
Taxation payable		6,675	10,201
		<u>45,086</u>	<u>36,259</u>
Total liabilities		<u>45,086</u>	<u>36,259</u>
Net assets		<u>86,564</u>	<u>58,987</u>
Equity			
Issued capital and reserves			
Issued share capital	12	1	1
Retained profit		86,563	58,986
Total equity		<u>86,564</u>	<u>58,987</u>

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

Approved by the Board of Directors on 25 April 2017 signed on its behalf by


.....
Mr N Hargrave, Director

DBAY UK Limited**Statement of changes in equity****For the year ended 31 December 2016**

	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

	Issued share capital £	Retained earnings £	Total equity £
At 1 January 2015	1	58,986	58,987
Total comprehensive income			
Profit for the year	-	27,577	27,577
Balance at 31 December 2016	1	86,563	86,564

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

DBAY UK Limited**Statement of cash flows****For the year ended 31 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		27,577	39,761
Adjustments to reconcile to profit from operations			
Depreciation	6	207	275
Taxation expense	5	5,799	11,246
Operating profit		<u>33,583</u>	<u>51,282</u>
Changes in working capital			
(Increase)/decrease in trade and other receivables		(31,696)	518
Increase in trade and other payables		12,353	(38,604)
Decrease in working capital		<u>(19,343)</u>	<u>(38,086)</u>
Cash flows used in other operating activities			
Payments of taxation		<u>(9,325)</u>	<u>(5,688)</u>
Net movement in cash and cash equivalents		4,915	7,509
Cash and cash equivalents at 1 January		15,446	7,937
Cash and cash equivalents as at 31 December		<u>20,361</u>	<u>15,446</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 2016

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.

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 – Amendments to IFRS 11	Endorsed (24 November 2015); EU effective date 1 January 2016.
Equity Method in Separate Financial Statements – Amendments to IAS 27	Endorsed (18 December 2015); EU effective date 1 January 2016.
Annual Improvements to IFRSs – 2012-2014 Cycle	Endorsed (15 December 2015); EU effective date 1 January 2016.
Investment entities: Applying the Consolidation Exception – Amendments to IFRS 10, IFRS 12 and IAS 28	Endorsed (22 September 2016); EU effective date 1 January 2016.
Disclosure Initiative – Amendments to IAS 1	Endorsed (18 December 2015); EU 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.

Disclosure Initiative – Amendments to IAS 7	Not yet endorsed.; IASB effective date 1 January 2017.
IFRS 9 Financial Instruments	Not yet endorsed.; IASB effective date 1 January 2018.
IFRS 15 Revenue from Contracts with Customers	Not yet endorsed.; IASB effective date 1 January 2018.
Clarifications to IFRS 15 Revenue from Contracts with Customers	Not yet endorsed.; IASB effective date 1 January 2018.
Clarification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2	Not yet endorsed.; IASB effective date 1 January 2018.
IFRS 16 Leases	Not yet endorsed.; IASB effective date 1 January 2018.

DBAY UK Limited**Notes to the financial statements****For the year ended 31 December 2016****3. PROFIT BEFORE TAX**

Profit before tax is stated after charging the following:

	2016 £	2015 £
Auditors' remuneration - audit services	4,832	9,183

4. PARTICULARS OF EMPLOYEES

	2016 No.	2015 No.
Number of management staff	4	3

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	400,385	515,000
Social security costs	52,809	67,521
Other pension costs	28,800	36,000
	481,994	618,521

The directors of the Company received remuneration of £264,000 (2015: £404,000), with the highest paid director receiving £132,000 (2015: £202,000).

5. INCOME TAX**Components of income tax expense**

	2016 £	2015 £
Current income tax expense		
Current income tax charge at 20% (2015: 20%)	5,799	11,246
Reconciliation of income tax charge		
Profit on ordinary activities before tax	33,376	51,007
Profit on ordinary activities before tax multiplied by the rate of UK corporation tax of 20% (2015: 20%)	6,675	10,201
Prior year (over)/underprovision	(876)	1,045
	5,799	11,246

The tax charge consists wholly of UK Corporation Tax.

6. FIXED ASSETS

	2016 £	2015 £
Cost		
As at 1 January	551	551
Additions in the year	-	-
As at 31 December	551	551
Accumulated Depreciation		
As at 1 January	344	69
Charge for the year	207	275
As at 31 December	551	344
Net book value as at 31 December	-	207

DBAY UK Limited

Notes to the financial statements

For the year ended 31 December 2016

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 2016 £	Fair value 2016 £	Carrying amount 2015 £	Fair value 2015 £
Financial assets				
Cash and cash equivalents	20,361	20,361	15,446	15,446
Trade and other receivables	111,289	111,289	79,593	79,593
Financial liabilities				
Trade and other payables	38,411	38,411	26,058	26,058

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	Notes	2016 £	2015 £
DBAY Advisors Limited	10	111,021 <u>111,021</u>	79,125 <u>79,125</u>

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

Payable to related parties

	Notes	2016 £	2015 £
DouglasBay Capital plc	11	-	10,637
DBay Advisors Limited		- <u>-</u>	- <u>10,637</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 2016

10. TRADE AND OTHER RECEIVABLES

	Notes	2016 £	2015 £
Receivable from related parties	9	111,021	79,125
Prepayments		-	332
VAT receivable		268	136
		<u>111,289</u>	<u>79,593</u>

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

11. TRADE AND OTHER PAYABLES

	Notes	2016 £	2015 £
Current			
Other creditors		27,461	5,622
Accrued liabilities		10,950	9,799
Payable to related parties	9	-	10,637
		<u>38,411</u>	<u>26,058</u>

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

12. SHARE CAPITAL

Authorised share capital

	2016 Number of Equity £1 shares	2016 £	2015 Number of Equity £1 shares	2015 £
Ordinary share capital	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Issue share capital

	2016 Number of Equity £1 shares	2016 £	2015 Number of Equity £1 shares	2015 £
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>