

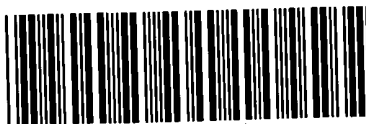
Company Registration No. 08025695 (England and Wales)

**WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN &
SHELL INVESTMENTS NO. 2 LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

COMPANY INFORMATION

Directors	Mr M S Ellice Mr R Sanderson Mr R Martin Mr D Rancombe (Appointed 8 July 2016)
Secretary	Mr R Sanderson
Company number	08025695
Registered office	The Northern & Shell Building Number 10 Lower Thames Street London United Kingdom EC3R 6EN
Auditor	KPMG LLP 15 Canada Square London United Kingdom E14 5GL
Bankers	Barclays Bank 27 Soho Square London United Kingdom W1D 3QR

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

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WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016. On 24 January 2017, the company changed its name from Northern & Shell Investments No. 2 Limited to Westferry Developments Limited.

Principal activities

The principal activity of the company is 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:

Mr M S Ellice

Mr R Sanderson

Mr R Martin

Mr D Rancombe

(Appointed 8 July 2016)

Results and dividends

The results for the year are set out on page 6.

The company recorded a loss before taxation of £2.2 million (2015: £3.4 million).

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

Review of the period and future developments

The directors consider the result for the year to be satisfactory. It is the intention of the company to continue in its principal activity for the foreseeable future. During the year, the company received planning permission on and commenced the development of its 16-acre site in London Docklands. Accordingly, land and buildings amounting to £43.7 million were transferred from tangible fixed assets to stock (note 10).

The risks, uncertainties and key performance indicators pertaining to the company are consistent with those experienced by the company's fellow subsidiaries. They are discussed in the Strategic Report of Northern & Shell Media Group Limited, the ultimate parent of the company.

The company's net assets were £30.5 million as at 31 December 2016 (2015: £27.1 million).

Financial risk management

The company's operations expose it to a variety of financial risks that include liquidity risk. The company has mechanisms in place that seek to limit the impact of the adverse effects of these risks on the financial performance of the company.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Political donations

The company made no political donations or incurred any political expenditure during the year (2015: £nil).

Auditor

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

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

DIRECTORS' REPORT (CONTINUED)


FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr R Sanderson
Director

Date: ~~20~~ June 2017

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

We have audited the financial statements of Westferry Developments Limited (formerly Northern & Shell Investments No. 2 Limited) for the year ended 31 December 2016 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 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 directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Adrian Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP

Chartered Accountants
Statutory Auditor

15 Canada Square
London
United Kingdom
E14 5GL

Date: *n* June 2017

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Turnover	3	144	87
Administrative expenses		(1,843)	(3,094)
Operating loss		(1,699)	(3,007)
Interest receivable from group undertakings	6	3	9
Interest payable and similar expenses	7	(479)	(404)
Loss before taxation		(2,175)	(3,402)
Taxation	8	5,587	182
Profit/(loss) for the financial year		3,412	(3,220)
Other comprehensive income		-	-
Total comprehensive income for the year		3,412	(3,220)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 9 to 20 form an integral part of these financial statements.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

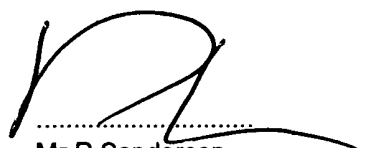
BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £000	2015 £000	2015 £000
Fixed assets				
Tangible assets	9	-	43,690	43,690
Current assets				
Stocks	10	46,641	-	-
Debtors	11	7,029	1,145	1,145
Cash at bank and in hand		-	1	1
		53,670	1,146	1,146
Creditors: amounts falling due within one year	12	(23,174)	(17,752)	(17,752)
Net current assets/(liabilities)			30,496	(16,606)
Net assets			30,496	27,084
Capital and reserves				
Called up share capital	14	35,000	35,000	35,000
Profit and loss reserves		(4,504)	(7,916)	(7,916)
Total equity			30,496	27,084

The notes on pages 9 to 20 form an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 20 June 2017 and are signed on its behalf by:



 Mr R Sanderson
 Director

Company Registration No. 08025695

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2015		35,000	(4,696)	30,304
Year ended 31 December 2015:				
Total comprehensive income for the year		-	(3,220)	(3,220)
Balance at 31 December 2015		35,000	(7,916)	27,084
Year ended 31 December 2016:				
Total comprehensive income for the year		-	3,412	3,412
Balance at 31 December 2016		35,000	(4,504)	30,496

The notes on pages 9 to 20 form an integral part of these financial statements.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Westferry Developments Limited (formerly Northern & Shell Investments No. 2 Limited) is a company limited by shares incorporated in England and Wales. The registered office is The Northern & Shell Building, Number 10 Lower Thames Street, London, United Kingdom, EC3R 6EN.

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 £000 (unless stated otherwise).

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Northern & Shell Media Group Limited. These consolidated financial statements are available from its registered office, The Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN.

The company has taken advantage of the exemption provided in section 33.1A of Financial Reporting Standard 102 from the requirement to disclose transactions with other wholly owned group members of Northern & Shell Media Group Limited.

1.2 Going concern

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

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Rental income is recognised on an accruals basis. Rental income is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where a lease incentive does not enhance the property, it is amortised on a straight line basis over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rent, the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date.

Turnover and profit in respect to the sale of property is recognised on legal completion.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	no depreciation
Leasehold land and buildings	50 years estimated useful life or period of the lease, whichever is the shorter

Freehold land and assets in the course of construction are not depreciated.

The company reviews its depreciation rates regularly to take account of technological changes, intensity of use over the life of the assets and market requirements.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs comprise land and development costs including direct materials and, where applicable, subcontractor labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.7 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.

1.8 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, 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.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 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.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.10 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, and any adjustment to tax payable/receivable in respect of previous years.

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 standard enacted rate of corporation tax in the UK of 17% (2015: 18%). 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.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

	2016 £000	2015 £000
Rental income	144	87

Turnover analysed by geographical market

	2016 £000	2015 £000
United Kingdom	144	87

4 Auditor's remuneration

Auditors' remuneration of £3,000 in respect of the audit of these financial statements for the year ended 31 December 2016 (2015: £3,000) is borne by Northern & Shell Plc, a fellow group undertaking.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Directors' remuneration

	2016 £000	2015 £000
Remuneration for qualifying services	125	-
Company pension contributions to defined contribution schemes	3	-
	<u>128</u>	<u>-</u>

Directors' emoluments are borne by Northern & Shell Plc, a fellow group company, and £128,000 (2015: £nil) was recharged to the company as part of a management charge from that company.

During the year, the company received planning consent and commenced the development of its site at London Docklands (note 10). Accordingly, a share of total directors' emoluments has been recharged to the company for qualifying services attributable to the development project. There were no qualifying services of this kind in 2015.

There were no employees during the year other than the directors.

6 Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable from group undertakings	<u>3</u>	<u>9</u>

7 Interest payable and similar expenses

	2016 £000	2015 £000
Interest payable to group undertakings	<u>479</u>	<u>404</u>

8 Taxation

	2016 £000	2015 £000
Current tax		
Adjustments in respect of prior periods	185	3
Group tax relief	-	(185)
	<u>185</u>	<u>(182)</u>
Total current tax	<u>185</u>	<u>(182)</u>

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(5,401)	-
Adjustment in respect of prior periods	(371)	-
	<u>(5,772)</u>	<u>-</u>
Total deferred tax	(5,772)	-
	<u>(5,587)</u>	<u>(182)</u>
Total tax credit	(5,587)	(182)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

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

	2016 £000	2015 £000
Loss before taxation	(2,175)	(3,402)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(435)	(689)
Tax effect of expenses that are not deductible in determining taxable profit	319	504
Adjustments in respect of prior years	(186)	3
Effect of change in corporation tax rate	977	-
Other timing differences	(6,262)	-
Taxation for the year	(5,587)	(182)

Other timing differences of £6.3 million (2015: £nil) relate to deferred tax assets arising on transfer of tangible fixed assets to stock (note 10).

The company has tax losses of £2.6 million (2015: £nil) available to carry forward against future profits.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Tangible fixed assets

	Freehold land and buildings £000
Cost	
At 1 January 2016	44,952
Transfer to stock (note 10)	(44,952)
At 31 December 2016	-
Depreciation and impairment	
At 1 January 2016	1,263
Eliminated in respect of disposals	(1,263)
At 31 December 2016	-
Carrying amount	
At 31 December 2016	-
At 31 December 2015	43,690

The land and buildings were transferred at their carrying value to stock on 4 August 2016 (note 10).

10 Stocks

	2016 £000	2015 £000
Work in progress	46,641	-
Movements in stocks		
		2016 £000
Transfer from tangible fixed assets		43,690
Additions		2,951
		46,641

On 4 August 2016, S106 planning consent was granted in relation to land at West Ferry Printworks, 235 Westferry road, London E14 8NX.

The directors consider that from this date the company has moved into the development phase of the project. Accordingly, as at that date the land and building asset was transferred from tangible fixed assets into stock, at its carrying value of £43.7 million.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Debtors

	2016 £000	2015 £000
Amounts falling due within one year:		
Amounts due from group undertakings	199	15
Amounts due from group undertakings with respect to group relief	207	392
Other debtors	845	719
Prepayments and accrued income	6	19
	<u>1,257</u>	<u>1,145</u>
Deferred tax asset (note 13)	5,772	-
	<u>7,029</u>	<u>1,145</u>

Amounts due from group undertakings carry interest at 2% above base rate, are unsecured and repayable on demand. Amounts due from group undertakings with respect to group relief are non-interest bearing.

12 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	74	42
Amounts due to group undertakings	21,893	17,523
Other creditors	-	29
Accruals and deferred income	1,207	158
	<u>23,174</u>	<u>17,752</u>

Amounts due to group undertakings carry interest at 2% above base rate, are unsecured and repayable on demand.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Deferred taxation

The following is the analysis of the deferred tax balances for financial reporting purposes:

	Assets 2016 £000	Assets 2015 £000
Balances:		
Accelerated capital allowances	5,323	-
Tax losses	449	-
	<u>5,772</u>	<u>-</u>
Movements in the year:		2016 £000
Liability/(Asset) at 1 January 2016		-
Credit to profit or loss		(5,772)
Liability/(Asset) at 31 December 2016		<u>(5,772)</u>

14 Share capital

	2016 £000	2015 £000
Ordinary share capital		
Issued and fully paid		
35,000,000 Ordinary of £1 each	<u>35,000</u>	<u>35,000</u>

15 Financial commitments, guarantees and contingent liabilities

The company is part of the Northern & Shell Media Group Limited group. At 31 December 2016, certain claims in the normal course of business were pending against the Group and certain tax computations were still subject to agreement with the relevant taxation authorities. Although there is uncertainty regarding the final outcome of these matters, the directors believe, based on professional advice received, that adequate provision has been made in the financial statements for anticipated liabilities and the probable ultimate resolution of such matters will not have a material effect on the financial statements of the company.

In 2014, the company acquired freehold interest in property for the total sum of £18.1 million, included in stock (note 10). Under the terms of the acquisition deed, further amounts may become due payable to the seller, a third party. Accordingly, as at 31 December 2016, the company held in place a bank guarantee. The bank, subject to the terms of the guarantee but otherwise unconditionally, undertakes to pay to the seller on demand any sum or sums due under the terms of the guarantee to an amount not exceeding £719,000. The company has also pledged certain assets as security for the bank guarantee facility.

WESTFERRY DEVELOPMENTS LIMITED (FORMERLY NORTHERN & SHELL INVESTMENTS NO. 2 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Controlling party

The immediate parent undertaking is Northern & Shell Properties Limited and the ultimate parent undertaking is Northern & Shell Media Group Limited.

The ultimate controlling party is Richard Desmond, the Chairman of Northern & Shell Media Group Limited.

The largest and smallest groups into which these accounts are consolidated are Northern & Shell Media Group Limited. Northern & Shell Media Group Limited is registered in England. Copies of the financial statements of Northern & Shell Media Group Limited can be obtained from The Northern & Shell Building, Number 10 Lower Thames Street, London EC3R 6EN, United Kingdom.