

Colony NorthStar UK, LTD
(Formerly NorthStar Asset Management UK, Ltd.)
Annual Report and Financial Statements
Registered number 09120522
For the Year Ended 31 December 2016

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Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Annual Report and Financial Statements

Year ended 31 December 2016

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Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Strategic Report

Year ended 31 December 2016

The director's present their Strategic Report for the year ended 31 December 2016.

The comparatives are for the period from incorporation on 8 July 2014 until 31 December 2015 (referred to 'prior period' or '2015' throughout those financial statements).

Colony NorthStar UK, LTD (the "Company") changed its name to Colony NorthStar UK, LTD from NorthStar Asset Management UK, Ltd. effective 21 December 2016.

Principal activities and business review

The Company is part of Colony Northstar, Inc., (the "Parent") is the ultimate parent undertaking, a company registered in the United States.

The principal activity of the Company is the provision of asset management and other services.

In the year, the Company made a profit on ordinary activities before taxation of \$4,172,000 (2015: \$6,687,000), and has net assets of \$11,923,000 (2015: \$5,685,000) at the reporting date.

Principal risks and uncertainties

The director's of Colony Northstar, Inc. manage risks at a Parent level, rather than at an individual business unit level. For this reason, the Company's director's believe that a disclosure of the Company's risk profile would not be appropriate for an understanding of the activities of Colony NorthStar UK, LTD. See the Colony Northstar, Inc. Annual Report (Form 10-K) pages 16 to 34 for a description of the Parent's risk factors.

Key performance indicators (KPIs)

The development, performance and position of Colony Northstar, Inc. is discussed in the Management Discussion and Analysis of Financial Condition and Results of Operations within the Parent's Annual Report which does not form part of this report. The director's do not believe that analysis of any KPIs is necessary in these financial statements.

By order of the board



J.D. Farkas
Director

Approved by the directors on 22/9/17

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Director's Report

Year ended 31 December 2016

The directors present their Directors' Report and the audited financial statements of Colony NorthStar UK, LTD for the year ended 31 December 2016.

Results and dividends

The result for the financial year amounted to a profit of \$3,871,000 (2015: \$4,784,000). The directors have not recommended a dividend.

Directors

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

J D Farkas
D R Gilbert (Resigned 11 July 2017)
S B Kauff (Resigned 11 April 2017)

Certain directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of approval of this report.

Political contributions

The Company made no political donations during the period.

Future developments

The directors will continue to focus on the Company's principal activity, the provision of asset management and other services, going forward.

On January 10, 2017 NorthStar Asset Management Group, Inc. completed the tri-party merger with Colony Capital, Inc. and NorthStar Realty Finance Corp. to form Colony NorthStar, Inc. which is the ultimate parent of the company.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Directors' Report (continued)

Year ended 31 December 2016

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with UK Accounting Standards and applicable law (United Kingdom 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;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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.

Disclosure of information to the auditors

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 the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Grant Thornton UK LLP were appointed as auditors during the year. Pursuant to Section 487 of the Companies Act 2016, the auditor will be deemed to be reappointed and Grant Thornton will therefore continue in office.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Directors' Report (continued)

Year ended 31 December 2016

By order of the board



J D Farkas
Director

25-28 Old Burlington Street
London
United Kingdom
W1S 3AN

Approved by the directors on 22/9/17

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Independent Auditors' Report to the Members of Colony NorthStar UK, LTD

We have audited the financial statements of Colony NorthStar UK, LTD for the year ended 31 December 2016 which comprise, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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 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 United Kingdom Generally Accepted Accounting Practice, including FRS 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 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; and
- we have not received all the information and explanations we require for our audit.

Mark Bishop ACA
(Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Oxford Rowan Place
Date: 22/9/2017



Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2016

	<i>Note</i>	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Turnover	2	14,048	16,609
Gross profit		14,048	16,609
Administrative expenses		(9,702)	(9,696)
Operating profit	3	4,346	6,913
Interest payable and similar charges	6	(174)	(226)
Profit on ordinary activities before taxation		4,172	6,687
Tax on profit on ordinary activities	7	(301)	(1,903)
Profit for the financial year		3,871	4,784
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,871	4,784

The above results all relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the total comprehensive income for the year stated above and their historical cost equivalents.

The notes on pages 10 to 18 form part of these financial statements.

Colony NorthStar UK, LTD**(Formerly NorthStar Asset Management UK, Ltd.)****Balance Sheet****At 31 December 2016**

	<i>Note</i>	2016 \$'000	2015 \$'000
Fixed assets			
Investments	8	1	1
Current assets			
Debtors (including \$446,751 (2015: \$446,751) due after more than one year)	9	11,391	9,755
Cash at bank and in hand		4,608	1,172
		<u>15,999</u>	<u>10,927</u>
Creditors: amounts falling due within one year	10	<u>(4,077)</u>	<u>(5,243)</u>
Net current assets		<u>11,922</u>	<u>5,684</u>
Total assets less current liabilities		<u>11,923</u>	<u>5,685</u>
Net assets		<u>11,923</u>	<u>5,685</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		11,923	5,685
Total equity		<u>11,923</u>	<u>5,685</u>

The notes on pages 10 to 18 form part of these financial statements.

These financial statements on pages 7 to 18 were authorised for issue by the board of directors on 22/9/17 and were signed on its behalf by:



J D Farkas
Director

Company Registration Number: 09120522

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Statement of Changes in Equity

	<i>Note</i>	Called up share capital \$'000	Profit and loss account \$'000	Total equity \$'000
Balance at 08 July 2014		-	-	-
Profit for the financial year		-	4,784	4,784
Total comprehensive income for the year		-	4,784	4,784
Transactions with owners, recognised directly in equity				
Issue of shares	13	-	-	-
Equity-settled share based payments		-	882	882
Deferred tax on equity-settled share based payments		-	19	19
Total transactions with owners, recognised directly in equity		-	901	901
Balance at 31 December 2015		-	5,685	5,685

	<i>Note</i>	Called up share capital \$'000	Profit and loss account \$'000	Total equity \$'000
Balance at 31 December 2015		-	5,685	5,685
Profit for the financial year		-	3,871	3,871
Total comprehensive income for the year		-	3,871	3,871
Transactions with owners, recognised directly in equity				
Issue of shares	13	-	-	-
Equity-settled share based payments		-	2,367	2,367
Deferred tax on equity-settled share based payments		-	-	-
Total transactions with owners, recognised directly in equity		-	2,367	2,367
Balance at 31 December 2016		-	11,923	11,923

The notes on pages 10 to 18 form part of these financial statements

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements

Year ended 31 December 2016

1. Accounting policies

Colony NorthStar UK, LTD (the "Company") is a company limited by shares and incorporated and domiciled in the UK. The address of its registered office is 25-28 Old Burlington Street, London, W1S 3AN.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is US dollars.

The Company's ultimate parent undertaking, Colony Northstar, Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Colony Northstar, Inc. are prepared in accordance with U.S. GAAP, are available to the public and may be obtained online from:

<https://www.sec.gov/Archives/edgar/data/1679688/000167968817000017/cls1231201610-k.htm>

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Colony Northstar, Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

1.1. Measurement convention

The financial statements are prepared on a going concern basis, under the historical cost convention.

1.2. Going concern

Colony NorthStar UK, LTD has made a profit for the financial year of \$3,871,000 (2015: \$4,784,000), has a cash balance of \$4,608,000, (2015: \$1,172,000) has total assets less current liabilities of \$11,923,000 (2015: \$5,685,000) and total equity of \$11,923,000 (2015: \$5,685,000) at the reporting date.

The Company operates as part of the Colony Northstar, Inc. ("the Parent"). The strong Parent balance sheet combined with continued strong operating performance, means that the Parent is able to meet its ongoing working capital needs for a period of more than twelve months from the date of approval of these financial statements.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

1. Accounting policies (continued)

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency (USD) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Revenue recognition

All of the Company's revenue is generated from transfer pricing under a cost plus approach. The revenue recognition accounting policy of the Group (using terms defined in the Group consolidated financial statements) is outlined below:

Asset management and other fees

Base asset management and other fees are recognised based on contractual terms specified in the underlying governing documents in the periods during which the related services are performed and the amounts have been contractually earned.

1.5. Investments

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

1.6. Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.7. Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

1. Accounting policies (continued)

1.7. Employee benefits (continued)

Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Share-based payment transactions

Where the Company is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the parent. The basis of such allocation is disclosed in note 12.

1.8. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.9. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

1. Accounting policies (continued)

1.10. Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

1.11. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Turnover

All turnover relates to the company's principal activity and consists entirely of transfer pricing recharges to another Group entity, under a cost plus approach.

3. Expenses and auditor's remuneration

Auditor's remuneration

	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Audit of these financial statements	62	29

4. Staff numbers and costs

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	31 December 2016	8 July 2014 to 31 December 2015
Executive	3	1
Non-executive	9	6
	12	7

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

4. Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Wages and salaries	5,406	5,519
Share based payments	1,427	2,273
Social security costs	869	702
Other pension costs	146	29
	7,848	8,523

5. Directors' remuneration

The directors did not receive any emoluments in respect of their services to the Company. They were remunerated by other group entities for their services to the Group as a whole.

6. Interest payable and similar charges

	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Net foreign exchange loss	164	226
Interest payable	10	-
	174	226

7. Taxation

Total tax expense recognised in the profit and loss account

	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Current tax:		
UK Corporation tax on profits for the year	956	2,173
Adjustment in respect of prior periods	(670)	-
Total current tax	286	2,173
Deferred tax:		
Origination and reversal of timing differences	-	(270)
Impact of change in tax rates	15	-
Total deferred tax	15	(270)
Total tax	301	1,903

Colony NorthStar UK, LTD**(Formerly NorthStar Asset Management UK, Ltd.)****Notes to the Financial Statements (continued)****Year ended 31 December 2016****7. Taxation (continued)****Reconciliation of effective tax rate**

The tax assessed on the profit on ordinary activities for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20.0% (2015: 20.5%).

	31 December 2016 \$'000	8 July 2014 to 31 December 2015 \$'000
Profit on ordinary activities before taxation	4,172	6,687
Tax using the UK corporation tax rate of 20.0% (2015: 20.5%)	834	1,371
Expenses not deductible for tax purposes	37	-
Share based payments	85	532
Adjustments to tax charge in respect of previous periods	(670)	-
Impact of change in tax rates	15	-
Total tax expense included in profit or loss	301	1,903

Factors that may affect future tax charge

Reductions to the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

8. Fixed asset investments

	Other investments \$'000	Total \$'000
Cost		
At 1 January 2016	1	1
At 31 December 2016	1	1
Net book value		
At 31 December 2016	1	1
At 31 December 2015	1	1

Colony NorthStar UK, LTD**(Formerly NorthStar Asset Management UK, Ltd.)****Notes to the Financial Statements (continued)****Year ended 31 December 2016****8. Fixed asset investments (continued)**

The Company's fixed asset investments of \$1,000 (2015: \$1,000) relate to a fellow Group entity NSAM CS Investors L.P., registered in Jersey. The investments are held at cost less impairment.

9. Debtors

	2016 \$'000	2015 \$'000
Amounts owed by group undertakings	10,820	9,146
Other debtors	228	224
Deferred tax assets (see note 11)	255	270
Prepayments and accrued income	88	115
	<u>11,391</u>	<u>9,755</u>

Debtors includes other debtors of \$176,706 (2015: \$176,706) and deferred tax assets of \$255,043 (2015: \$270,045) falling due after more than one year.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Creditors: amounts falling due within one year

	2016 \$'000	2015 \$'000
Taxation and social security	538	2,166
Accruals and deferred income	3,527	3,070
Other creditors	12	7
	<u>4,077</u>	<u>5,243</u>

11. Deferred tax asset

The deferred tax asset is attributable to the the following:

	2016 \$'000	2015 \$'000
Share based payments	255	270
	<u>255</u>	<u>270</u>

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

12. Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was \$146,255 (2015: \$28,681).

Share based payments

The Company is a member of a Group share-based payment plan, and it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the Group. The basis for reasonable allocation is determined by the specifics of each individual award given to the employees of the Company.

An explanation of the Group's policy for accounting for share-based payments (equity-based compensation) can be seen on page 78 of the consolidated financial statements of Colony Northstar, Inc. which can be obtained online from:

<https://www.sec.gov/Archives/edgar/data/1679688/000167968817000017/cins1231201610-k.htm>

13. Capital and reserves

Share capital

Allotted, called up and fully paid:

	2016 \$'000	2015 \$'000
1 ordinary share of £1 each	-	-
At 31 December	-	-

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

14. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2016 \$'000	2015 \$'000
Less than one year	249	300
Between one and five years	374	751
	623	1,051

During the year \$353,509 (2015: \$322,116) was recognised as an expense in the profit and loss account, in respect of an operating lease for the Company's office property.

Colony NorthStar UK, LTD

(Formerly NorthStar Asset Management UK, Ltd.)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

15. Related parties

The company is exempt from disclosing other related party transactions as they are with other entities that are wholly owned within the Group.

16. Ultimate parent company and parent company of larger group

The ultimate parent undertaking is Colony Northstar, Inc., a company registered in the United States.

The Company's immediate parent undertaking is Colony Capital Investment Holdco, LLC, a company registered in the United States.

The parent undertaking of the largest and smallest group to consolidate these financial statements is Colony Northstar, Inc. The financial statements can be obtained online at:

<https://www.sec.gov/Archives/edgar/data/1679688/000167968817000017/clns1231201610-k.htm>

17. Critical accounting estimates and judgements

In preparing these financial statements, the directors do not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.