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Company Registration No 505059 (British Virgin Islands)
FC25976/BR8206 (England & Wales)

DELANCEY REAL ESTATE PARTNERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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DELANCEY REAL ESTATE PARTNERS LIMITED

CORPORATE INFORMATION

Directors

J W J Ritblat
P J Goswell
C B Wagman

Company numbers

505059	British Virgin Islands
FC25976 BR8206	England & Wales

Registered office

Craigmuir Chambers
PO Box 71
Road Town
Tortola
British Virgin Islands

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Business address

6th Floor
Lansdowne House
Berkeley Square
London
W1J 6ER

DELANCEY REAL ESTATE PARTNERS LIMITED

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DELANCEY REAL ESTATE PARTNERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016

Principal activities, review of the business and principal risks and uncertainties

The principal activity of the group is that of the provision of advisory services to real estate companies

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

The group's operations are affected by fluctuations in UK interest rates, the UK property market and the UK financial climate in general. The directors believe that the quality and breadth of its clients' portfolios largely protects the group from such movements

Key performance indicators

The group's key financial performance indicators are

Group turnover - increased by £13,450,000 (70%) during the year, principally due to a one off fee earned in the year

Net assets - increased by £27,520,000 (226%) - principally as a result of the profits earned in the year and the fair value movement of investments held by the Group

Results and dividends

The group profit for the financial year amounted to £27,520,000 (2015 £773,000)

No ordinary dividend was paid during the year (2015 £nil)

Future developments

The directors continue to pursue a broad range of opportunities

Directors

The following directors have held office since 1 April 2015

J W J Ritblat

P J Goswell

C B Wagman

Going concern

The Directors believe that the Group has significant net assets, together with a number of long term advisory agreements with its clients and are actively seeking new opportunities which will allow the Group to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Political and Charitable donations

During the year the group made political donations of £85,000 (2015 £80,000) to the Conservative Party

As part of the group's commitment to the community the following contributions were made during the year

	2016 £'000	2015 £'000
Child welfare	-	18
Social welfare	7	-
Arts	10	1
Charities aiding other disabilities or illnesses	-	-
Education	6	330
Other	21	49
	<u>44</u>	<u>398</u>

DELANCEY REAL ESTATE PARTNERS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2016

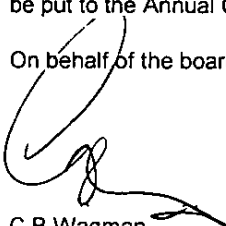
Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP were appointed auditors to the company and a resolution proposing that they be reappointed will be put to the Annual General Meeting.

On behalf of the board



C B Wagman
Director

12 September 2016

DELANCEY REAL ESTATE PARTNERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2016

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Good practice requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period. 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group or company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF DELANCEY REAL ESTATE PARTNERS LIMITED

FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Delancey Real Estate Partners Limited for the year ended 31 March 2016 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group Cash Flow Statement and Note to the Group Cash Flow Statement, and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is 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 our engagement letter dated 22 June 2016. 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 the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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 with 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2016 and of its profit for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.



Ernst & Young LLP
London

14 September 2016

DELANCEY REAL ESTATE PARTNERS LIMITED

GROUP INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Turnover			
Group and share of joint ventures		34,462	20,757
Less share of joint ventures turnover	12	(1,664)	(1,409)
		<hr/>	<hr/>
Group turnover	2	32,798	19,348
Cost of sales		(218)	(13)
Administrative expenses		(23,597)	(19,086)
		<hr/>	<hr/>
Group operating profit	3	8,983	249
Share of operating profit in joint ventures		1,559	1,133
Profit on the disposal of fixed assets		121	-
Profit on disposal of subsidiary		1,000	-
		<hr/>	<hr/>
Profit on ordinary activities before interest, investment income and taxation		11,663	1,382
Interest receivable and similar income	7	136	95
Interest payable and similar charges	8	(1,365)	(364)
Gain on investment properties	11	20	-
Gain on financial assets at fair value through the profit and loss	12	19,197	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		29,651	1,113
Tax on profit on ordinary activities	9	(2,131)	(340)
		<hr/>	<hr/>
Profit for the financial year		27,520	773
		<hr/>	<hr/>

The income statement has been prepared on the basis that all operations are continuing operations

GROUP STATEMENT OF COMPREHENSIVE INCOME

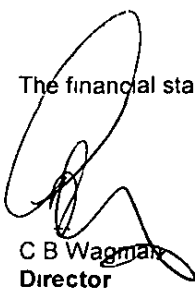
The group has no comprehensive income other than the results for the year as set out above

DELANCEY REAL ESTATE PARTNERS LIMITED

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2016

		Group		Company	
	Notes	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Fixed assets					
Tangible assets	10	4,067	2,763	-	-
Investment property	11	2,134	2,121	-	-
Investments in joint ventures					
Share of gross assets		838	631	-	-
Share of gross liabilities		(546)	(404)	-	-
	12	292	227	-	-
Investments	12	40,320	19,356	-	-
		<u>46,813</u>	<u>24,467</u>	<u>-</u>	<u>-</u>
Current assets					
Debtors	13				
- amounts falling due within one year		6,568	6,129	12	12
- amounts falling due after one year		619	967	-	-
Cash at bank and in hand		26,781	23,184	5	5
		<u>33,968</u>	<u>30,280</u>	<u>17</u>	<u>17</u>
Creditors, amounts falling due within one year	14	(18,692)	(21,555)	-	-
Net current assets		<u>15,276</u>	<u>8,725</u>	<u>17</u>	<u>17</u>
Total assets less current liabilities		62,089	33,192	17	17
Creditors, amounts falling due after more than one year	15	(22,397)	(21,020)	-	-
Net assets		<u>39,692</u>	<u>12,172</u>	<u>17</u>	<u>17</u>
Capital and reserves					
Called up share capital	17	12	12	12	12
Profit and loss account		43,367	15,847	5	5
Treasury share reserve		(3,687)	(3,687)	-	-
Shareholder's funds		<u>39,692</u>	<u>12,172</u>	<u>17</u>	<u>17</u>

The financial statements were approved by the Board on 12 September 2016


C B Wagman
Director

Company Registration Numbers - 505059 (British Virgin Islands), FC25976 / BR8206 (England & Wales)

DELANCEY REAL ESTATE PARTNERS LIMITED

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

	Called up share capital	Treasury Share reserve	Profit and loss account	Total Equity
	£'000	£'000	£'000	£'000
At 1 April 2014	12	-	15,074	15,086
Profit for the year	-	-	773	773
Treasury shares	-	(3,687)	-	(3,687)
At 31 March 2015	12	(3,687)	15,847	12,172
Profit for the year	-	-	27,520	27,520
At 31 March 2016	12	(3,687)	43,367	39,692

DELANCEY REAL ESTATE PARTNERS LIMITED

GROUP CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 MARCH 2016**

	£'000	2016 £'000	£'000	2015 £'000
Net cash inflow/(outflow) from operating activities		3,258		(1,562)
Returns on investments and servicing of finance				
Interest received	70		71	
Dividends received from joint ventures	1,184		861	
Receipt from sale of subsidiary	1,000		-	
Net cash inflow for returns on investments and servicing of finance		2,254		932
Financing activities				
Proceeds from borrowing	-		17,500	
Financing fees	-		(523)	
Interest paid	(4)		(8)	
Net cash (outflow)/inflow from financing activities		(4)		16,969
Capital expenditure and financial investment				
Payments to acquire tangible assets	(1,650)		(1,606)	
Payments to acquire investments	-		(20,076)	
Loans advanced	(261)		-	
Net cash outflow for capital expenditure		(1,911)		(21,682)
Equity dividends paid		-		-
Increase/(decrease) in cash in the year		3,597		(5,343)

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

1 Reconciliation of operating profit to net cash inflow from operating activities

	2016 £'000	2015 £'000
Profit before tax	29,651	1,113
Depreciation of tangible fixed assets	225	109
Write off of loans	664	-
Share of profit in joint venture	(1,559)	(1,133)
Profit on disposal of fixed asset	(121)	-
Interest payable	1,365	364
Interest receivable	(136)	(95)
Profit on disposal of subsidiary	(1,000)	-
Gain on investment properties	(20)	-
Gain on financial assets at fair value through the profit and loss	(19,197)	-
Increase in debtors	(390)	(1,511)
Increase in creditors	(4,703)	269
Taxation	(1,521)	(678)
Net cash inflow/(outflow) from operating activities	3,258	(1,562)

2 Analysis of net funds

	1 April 2015 £'000	Cash flow £'000	31 March 2016 £'000
Net cash			
Cash at bank and in hand	23,184	3,597	26,781
Net funds	23,184	3,597	26,781

3 Reconciliation of net cash flow to movement in net funds

	2016 £'000	2015 £'000
Increase/(decrease) in cash in the year	3,597	(5,343)
Movement in net funds in the year	3,597	(5,343)
Opening net funds	23,184	28,527
Closing net funds	26,781	23,184

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

1.1 Statement of compliance

Delancey Real Estate Partners Limited is a limited company incorporated in the British Virgin Islands, the registered office is Craigmuir Chambers, PO BOX 71, Road Town, Tortola, British Virgin Islands

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 31 March 2016

The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 18

1.2 Basis of preparation and change in accounting policy

The financial statements were authorised for issue by the Board of Directors on 12 September 2016. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March each year

The results of subsidiaries acquired or sold during the year are included in the income statement from, or up to, the date control passes. No income statement is presented for the company as permitted by section 408 of the Companies Act 2006

Entities in which the group holds an interest on a long term basis and are jointly controlled by the group and one or more joint ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements

Valuation of investments at fair value through profit or loss

The Group carries its fixed asset investments at fair value, with fair value being recognised through the income statement

The Group valued its investments in these unlisted companies by multiplying the net asset value of the companies invested in by the percentage of shareholding, price adjustments are taken into account where actual transactions have taken place

Valuation of investment property

The fair value of investment property is determined by a professional external valuer using recognised valuation techniques. The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams and the overall repair and condition of the property) and the discount rates applicable to those assets. Future revenue streams, inter alia, comprise contracted rent (passing rent) and estimated rental income (ERV) after the contract period. In estimating ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at the reporting date

Taxation

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

1.4 Going concern

The Directors believe that the Group has significant net assets, together with a number of long term advisory agreements with its clients and are actively seeking new opportunities which will allow the Group to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.5 Turnover

Turnover represents fees receivable for services provided under advisory agreements which were in existence during the accounting period and is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates and VAT.

Turnover also includes rental income recognised on a straight-line basis from the property known as Beehive Mill which is based in the United Kingdom.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated on a straight-line basis so as to write-off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures, fittings & equipment (excl. various artwork and others and IT equipment)	- over 3 years
IT equipment	- over 2 years
Artwork and others (included in F, F&E)	- no depreciation
Motor vehicles	- over 5 years

1.7 Impairment of non-financial assets

An entity shall assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

An entity shall recognise an impairment loss immediately in the profit or loss unless the asset is carried at a revalued amount in accordance with another section (e.g. property, plant and equipment). Any decrease in a revalued amount shall be in accordance with that other section.

1.8 Operating lease agreements

Rentals payable after taking into account lease incentives under operating leases are charged in the income statement on a straight line basis over the lease term.

1.9 Pensions

The group operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the group during the year.

1.10 Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 10 Taxation (continued)

- deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1 11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

1 12 Investment properties

Investment properties are initially included at their full cost in the financial statements once an irrevocable purchase contract has been entered into. The cost of investment properties is their purchase cost, together with any incidental costs of acquisition. In accordance with FRS 102 the Company has chosen to capitalise finance costs directly attributable to construction costs.

Investment properties are then revalued annually on an open market basis by the Directors, having had reference to valuations carried out by appropriately qualified valuers. Any revaluation surplus or deficit arising is recognised through the income statement.

No depreciation or amortisation is provided in respect of freehold investment properties.

Disposals are accounted for when the risk and rewards have transferred.

1 13 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

1 14 Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1 15 Equity investments

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

1 16 Loan notes

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method.

1 17 Interest bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

1 18 Treasury shares

Treasury shares are held by Delancey Partners Co. Limited in Delancey Real Estate Partners Limited and classified in capital and reserves as, 'treasury share reserve' and recognised at cost. The consideration received for the sale of such shares is also recognised in equity with any difference between proceeds from sale and the original cost taken to the profit and loss reserve. No gain or loss is recognised on the purchase, sale, issue or cancellation of equity shares.

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Turnover

The total turnover of the group for the period has been derived from two revenue streams, the majority of which is from its principal activity wholly undertaken in the United Kingdom and the remainder is rental income recognised on a straight-line basis from the property known as Beehive Mill which is based in the United Kingdom

3 Group operating profit

	2016 £'000	2015 £'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets	225	109
Operating lease costs	853	639
Auditors' remuneration	34	34
Remuneration of auditors for taxation fees, compliance	11	11
	<u>11</u>	<u>11</u>

4 Auditors remuneration

	2016 £'000	2015 £'000
Audit of financial statements	14	13
Audit of subsidiaries	20	21
Taxation compliance services	11	11
	<u>45</u>	<u>45</u>

5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2016 Number	2015 Number
Administrative	52	54

Employment costs

	2016 £'000	2015 £'000
Wages and salaries	13,106	10,934
Social security costs	1,839	1,550
Other pension costs	665	541
	<u>15,610</u>	<u>13,025</u>

6 Directors' emoluments

	2016 £'000	2015 £'000
Emoluments for qualifying services	3,250	4,785
	<u>3,250</u>	<u>4,785</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to nil (2015 nil)

Emoluments disclosed above include the following amounts paid to the highest paid director

	2016 £'000	2015 £'000
Emoluments for qualifying services	2,279	2,528
	<u>2,279</u>	<u>2,528</u>

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7	Interest receivable	2016 £'000	2015 £'000
	Bank interest receivable	70	71
	Other interest receivable	66	24
		<u>136</u>	<u>95</u>
8	Interest payable	2016 £'000	2015 £'000
	Bank loan	1,286	336
	Amortisation of finance costs	75	20
	Bank charges and interest payable	4	8
		<u>1,365</u>	<u>364</u>
9	Taxation	2016 £'000	2015 £'000
	UK corporation tax		
	UK corporation tax	1,503	77
	Adjustments in respect of prior periods	(48)	(28)
	Share of tax in joint ventures	312	240
	Current tax charge	<u>1,767</u>	<u>289</u>
	Deferred tax		
	Deferred tax charge (note 16)	364	51
		<u>2,131</u>	<u>340</u>
	Factors affecting the total tax charge		
	Profit on ordinary activities before taxation	<u>29,651</u>	<u>1,113</u>
	Profit on ordinary activities before taxation multiplied by main rate of UK corporation tax of 20% (2015 21%)	5,930	234
	Effects of		
	Non deductible expenses	224	129
	Depreciation in excess of / (less than) capital allowances	(3)	(49)
	Adjustments in respect of joint ventures	-	3
	Adjustments in respect of previous periods	(49)	(28)
	Effects of different rates of tax	96	51
	Deferred tax liability previously not recognised	5	-
	Non taxable income	(4,072)	-
	Total tax expense	<u>2,131</u>	<u>340</u>

Factors that may affect future tax charges

The Finance (No 2) Act 2015 was enacted on 18 November 2015, which introduced a reduction in the headline rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, therefore deferred tax is calculated at 18%

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10 Tangible fixed assets

	Fixtures, fittings & equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 April 2015	4,634	350	4,984
Additions	1,216	313	1,529
Disposals	-	(255)	(255)
At 31 March 2016	5,850	408	6,258
Depreciation			
At 1 April 2015	1,917	304	2,221
Charge for the year	191	34	225
Disposals	-	(255)	(255)
At 31 March 2015	2,108	83	2,191
Net book value			
At 31 March 2016	3,742	325	4,067
At 31 March 2015	2,717	46	2,763

11 Investment property

	Investment property £'000
Group	
At 1 April 2015	2,121
Reversal of acquisition costs	(7)
Fair value movement	20
At 31 March 2016	2,134

The investment property has been valued at market value by the directors with reference to external valuers valuation at 31 March 2016

12 Fixed asset investment

	Unlisted investments £'000
Group	
At 1 April 2015	19,356
Additions	1,767
Fair value adjustment	19,197
At 31 March 2016	40,320
At 31 March 2015	19,356

Unlisted investments comprise investments in companies engaged in management services and various investment activities

There were no disposals during the year, or in the prior year

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12 Fixed asset investment (continued)

The principal subsidiaries of which the company holds 100% of the issued ordinary share capital are as follows

Subsidiary undertakings

Cortex Ltd	DV7 Ltd
Crescent Builders and Estates Ltd	Five Oaks City Ltd
Delancey Associates Ltd	Five Oaks Developments Ltd
Delancey Asset Management Ltd	Five Oaks Investments Ltd
Delancey Developments Ltd	Five Oaks Properties Ltd
Delancey Estate Agents Ltd	Freehold Portfolios Estates Ltd
Delancey Estates Ltd	Freehold Portfolios Management Ltd
Delancey Ltd	Metro Shopping Estates Ltd
Delancey Partners Co. Ltd	Metro Shopping Ltd
Delancey Properties Ltd	Metro Shopping Management Ltd
Delancey Properties (Manchester) Ltd	Metro Shopping Plaza Ltd
Delancey Real Estate Asset Management Group Ltd	Mount Provincial Developments Ltd
Delancey Real Estate Asset Management Ltd	Newincco 1312 Ltd
Delancey Real Estate Investment Management Ltd	Portsmouth Advisory Services Ltd
Delancey Retail Ltd	Samarate Ltd
DV3 Ltd	Speciality Shops Developments Ltd
DV4 Ltd	Speciality Shops Ltd
DV5 Ltd	Speciality Shops Management Ltd
DV6 Ltd	Tribeca UK Ltd

The Company holds shares directly in Delancey Real Estate Asset Management Limited, Delancey Real Estate Investment Management Limited, Delancey Partners Co. Limited and Samarate Limited. All other shares in subsidiaries are held directly by Delancey Real Estate Asset Management Limited.

All subsidiaries except for Delancey Partners Co. Limited (incorporated in the British Virgin Islands) are incorporated in England and Wales. Delancey Real Estate Asset Management Ltd provides advisory services to real estate companies. All subsidiaries except Delancey Real Estate Asset Management Limited, Newincco 1234 Limited, Delancey Asset Management Limited and Delancey Properties (Manchester) Limited were dormant during the year. On 6 May 2015 Delancey Real Estate Asset Management Limited sold 100% of its interest in Newincco 1234 Limited for £1,000,000.

Companies which are not wholly owned by Delancey Real Estate Asset Management Ltd

Joint ventures	Percentage ownership
Metro Shopping Fund GP Ltd	50%
Metro Shopping Fund Management Ltd	50%
Newincco 1384 Ltd	76%

Metro Shopping Fund GP Ltd and Metro Shopping Fund Management Ltd are incorporated in Jersey and England and Wales respectively. All of the above companies provide services to property companies.

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12 Fixed asset investment (continued)

Additional disclosures are given in respect of Metro Shopping Fund Management Ltd, which exceed certain 25% thresholds under FRS 102 Section 15 - Interests in Joint Ventures are as follows

	2016 £'000	2015 £'000
Turnover	1,664	1,409
Profit before tax	1,559	1,133
Taxation	(312)	(241)
Profit after tax	1,247	892
Current assets	838	631
Liabilities due within one year	(546)	(404)
Share of net assets	292	227

13 Debtors	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade debtors	2,082	481	-	-
Called up share capital not paid	12	12	12	12
Corporation tax	594	520	-	-
Other debtors	754	556	-	-
Prepayments and accrued income	3,126	4,560	-	-
Deferred Tax (note 16)	619	967	-	-
	7,187	7,096	12	12

The balance for deferred tax is included in the amounts due after one year on the face of the Statement of Financial Position

14 Creditors amounts falling due within one year	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade creditors	2,062	1,202	-	-
Other taxes and social security costs	1,074	1,034	-	-
Other creditors	213	1,281	-	-
Accruals and deferred income	15,343	18,038	-	-
	18,692	21,555	-	-

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15	Creditors amounts falling due after more than one year	Group		Company	
		2016 £'000	2015 £'000	2016 £'000	2015 £'000
	Deferred consideration	3,687	3,687	-	-
	Deferred Tax (note 16)	16	-	-	-
	Bank loan	19,121	17,836	-	-
	Less Unamortised finance costs	(427)	(503)	-	-
		<u>22,397</u>	<u>21,020</u>	<u>-</u>	<u>-</u>
	Bank loan maturity analysis				
	Less than one year	-	-	-	-
	Between one and two years	-	-	-	-
	Between two and five years	-	-	-	-
	Between five and seven years	19,121	17,836	-	-
		<u>19,121</u>	<u>17,836</u>	<u>-</u>	<u>-</u>

On 22 December 2014 the company completed on a 7 year facility for £17,500,000 with Cain Hoy Finance Limited. The loan bears an annual interest rate of 7% which accrues daily into the facility.

16 Deferred tax

		Deferred tax asset £'000
Balance at 1 April 2015		967
Charge to the income statement		(348)
		<hr/>
Balance at 31 March 2016		619
		<hr/> <hr/>
The deferred tax asset is made up as follows		
	2016 £'000	2015 £'000
Capital allowances in excess of depreciation	(47)	-
Timing differences on amounts allowed when paid	666	967
	<hr/>	<hr/>
	619	967
	<hr/> <hr/>	<hr/> <hr/>

		Deferred tax liability £'000
Balance at 1 April 2015		-
Charge to the income statement		16
		<hr/>
Balance at 31 March 2016		16
		<hr/> <hr/>
The deferred tax liability is made up as follows		
	2016 £'000	2015 £'000
Capital allowances in excess of depreciation	-	-
Timing differences on amounts allowed when paid	16	-
	<hr/>	<hr/>
	16	-
	<hr/> <hr/>	<hr/> <hr/>

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17 Share capital	2016 £'000	2015 £'000
Allotted, called up and unpaid		
6,150 'A' ordinary shares of £1 each	6	6
3,186 'B' ordinary shares of £1 each	3	3
1,714 'C' ordinary shares of £1 each	2	2
1,000 'D' ordinary shares of £1 each	1	1
1 'E' ordinary share of £1	-	-
	<u>12</u>	<u>12</u>

The 'A', 'D' and 'E' ordinary shares carry no right to vote except pursuant to a meeting to vary class rights

Each of the 'B' and 'C' ordinary shares carry the right to one vote per share, except that no 'C' share shall entitle the holder thereof to vote on any resolution in connection with the appointment or removal of a B director and no 'B' share shall entitle the holder thereof to vote on any resolution in connection with the appointment or removal of a C director

The 'B' and 'C' shares have the right to participate *pari passu* with one another in the assets of the company

Treasury Share Reserve represents the cost of Delancey Real Estate Partners Limited shares acquired by Delancey Partners Co. Limited, a 100% subsidiary of the Company

At 31 March 2016, the group held in treasury 1,714 'C' ordinary shares and 1 'E' ordinary share at an average cost of £2,151 and £1,000 per share, respectively

18 Transition to FRS 102

The Group transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014

	Profit and loss account £
Profit and loss account at 1 April 2014 under previous UK GAAP	15,111
Holiday pay accrual	<u>(37)</u>
Profit and loss account at 1 April 2014 under FRS 102	<u>15,074</u>
Profit and loss account for the year ended 31 March 2015 under previous UK GAAP	756
Holiday pay accrual	(7)
Adjustment to depreciation on motor vehicles	<u>24</u>
Profit and loss account at 31 March 2015 under FRS 102	<u>15,847</u>

DELANCEY REAL ESTATE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

18 Transition to FRS 102 (continued)

The following were changes in accounting policy arising from the transition to FRS 102

Holiday pay accrual

Under previous UK GAAP, the Group did not accrue for holiday entitlement that was earned but had not been taken as at the year end since it was not expected to be paid in cash. Under FRS 102, the Group is required to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the date of the statement of financial position. The impact is to increase holiday pay accrual by £36,989 and £43,577 at 1 April 2014 and 31 March 2015, respectively.

Depreciation on motor vehicles

Under previous UK GAAP, the Company was unable to estimate reliably the residual values of motor vehicles at the end of its useful economic life and therefore used a nil residual value on its calculation of depreciation. There is also no requirement for annual revaluation.

Under FRS102, the Company is required to reassess residual values if there is an indication that it has changed since the most recent annual reporting date. A change in residual value is generally recognised prospectively and therefore the impact is to increase Tangible fixed assets and Profit for the year ended 31 March 2015 by £24,167.

19 Commitments under operating leases

At 31 March 2016 the group had annual commitments under non-cancellable operating leases, future minimum rentals payable under these are as follows

	Land and buildings	
	2016	2016
	£'000	£'000
Expiry date		
Expiring within 1 year	-	-
Between two and five years	1,876	2,709
	<u>1,876</u>	<u>2,709</u>

At 31 March 2016 the group as a lessor had contracted rents receivable, future minimum rental income receivable as follows

	2016	2015
	£'000	£'000
Expiry date		
Expiring within 1 year	167	111
Between two and five years	93	126
	<u>260</u>	<u>237</u>

20 Control

The ultimate controlling party is J W J Ritblat

21 Post Balance Sheet Event

The directors note the uncertainty and consequential volatility in the property and capital markets - since the UK voted to leave the European Union in the 23 June referendum. This uncertainty may have a negative impact on UK property valuations in future periods. These uncertainties are not reflected in the balance sheet as 31 March 2016.