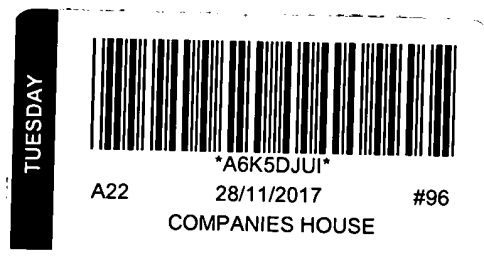


Registered number: 01766196

## **Moorfield Group Limited**

**Annual report and financial statements**

**For the year ended 31 December 2016**



## **Moorfield Group Limited**

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## **Moorfield Group Limited**

### **Company Information**

<b>Directors</b>	Marc Gilbard Graham Stanley Nicholas Edwards Charles Ferguson-Davie
<b>Company secretary</b>	Steven Hall (appointed 12 January 2017)
<b>Registered number</b>	01766196
<b>Registered office</b>	10 Grosvenor Street London W1K 4 QB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
<b>Bankers</b>	Lloyds Banking Group Plc London Chief Office PO Box 54873 London SW1Y 5WX

## **Moorfield Group Limited**

### **Strategic report For the year ended 31 December 2016**

#### **Introduction**

The directors present their strategic report on Moorfield Group Limited (the 'Company') for the year ended 31 December 2016.

#### **Principal activity**

The Company's principal activity during the year was that of the provision of investment and asset management services.

#### **Results and review of the business**

In 2016 the Company generated turnover of £22,308,000 (2015 - £14,967,000) and a profit for the financial year of £13,346,000 (2015 - £4,167,000). The Company continues to act as a real estate manager, primarily to the Moorfield Real Estate Funds (MREF, "MREF II" and "MREF III"). The funds are long term real estate and real estate-related investment vehicles from which the business receives management fees.

#### **Principal risks and uncertainties**

Risk and uncertainties are managed at the Stessa Trading Limited consolidated group ("the Group") level, as outlined below.

The following identifies the Group's principal risks and the ways in which the Group manages and controls these risks:

- (i) The Group is indirectly affected by the risk of a general downturn in the international economy and in the real estate market, negatively impacting on eventual returns. The Group mitigates this risk by its employment of experienced individuals and its investment appraisal process.
- (ii) The inability to generate sufficient fund and asset management fees to cover the Group's overheads. The Group's cost base is held at less than known fund and asset management fees and increases in overheads over and above inflationary increases are only committed if fee income is more than sufficient to cover the increase.

#### **Financial key performance indicators**

Performance is managed and measured on a Group wide basis, and key performance indicators relate to the level of fund and asset management fees generated compared to the cost base of the business. These will depend on the funds under management.


#### **Future developments**

The directors do not anticipate any changes to the present level of activity or to the nature of the Company's business in the near future.

#### **Financial risk management**

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, liquidity risk and credit risk. The Group's principal financial instruments comprise sterling cash and bank deposits, together with trade debtors and trade creditors that arise directly from its operations.

This report was approved by the board on 28 November 2017 and signed on its behalf.

  
**Nicholas Edwards**  
Director

## **Moorfield Group Limited**

### **Directors' report**

#### **For the year ended 31 December 2016**

The directors present their report and the audited financial statements of Moorfield Group Limited (the "Company") for the year ended 31 December 2016.

### **Results and dividends**

The Company's profit for the financial year was £13,346,000 (2015 - £4,167,000).

The Directors have not proposed a dividend for the financial year and no dividend has been paid during the year (2015 - £nil).

### **Future developments**

The section on future developments which is detailed in the Strategic report is included in this report by cross reference.

### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

Marc Gilbard  
Graham Stanley  
Nicholas Edwards  
Charles Ferguson-Davie

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

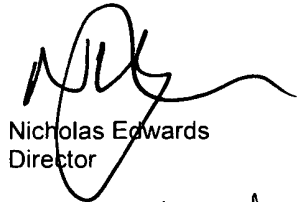
**Moorfield Group Limited**

**Directors' report (continued)**  
**For the year ended 31 December 2016**

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'N Edwards', with a long horizontal flourish extending to the right.

Nicholas Edwards  
Director

Date: 28 November 2017

**Independent auditors' report to the members of Moorfield Group Limited**

**Report on the financial statements**

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**Our opinion**

In our opinion Moorfield Group Limited's financial statements (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; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
- 

**What we have audited**

The financial statements, included within the Annual Report and financial statements ("the Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of income and retained earnings for the year then ended ;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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## **Moorfield Group Limited**

### **Independent auditors' report to the members of Moorfield Group Limited**

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

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### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

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 International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

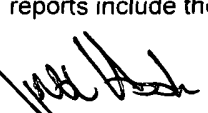


**Moorfield Group Limited**

**Independent auditors' report to the members of Moorfield Group Limited**

**What an audit of financial statements involves (continued)**

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether these reports include the disclosures required by applicable legal requirements.



Jonathan Hook (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

Date:

28/11/17

**Moorfield Group Limited**

**Statement of income and retained earnings  
For the year ended 31 December 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2015 £000</b>
Turnover	4	<b>22,308</b>	14,967
<b>Gross profit</b>		<b>22,308</b>	14,967
Administrative expenses		<b>(9,018)</b>	(9,822)
<b>Operating profit</b>	5	<b>13,290</b>	5,145
Income from other fixed assets investments		-	15
Interest receivable and similar income	8	<b>341</b>	295
Interest payable and similar expenses	9	<b>(270)</b>	(135)
<b>Profit before taxation</b>		<b>13,361</b>	5,320
Tax on profit	10	<b>(15)</b>	(1,153)
<b>Profit for the financial year</b>		<b>13,346</b>	4,167
Retained earnings at the beginning of the year		<b>7,325</b>	3,158
Profit for the financial year		<b>13,346</b>	4,167
<b>Retained earnings at the end of the year</b>		<b>20,671</b>	7,325

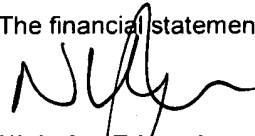
The notes on pages 11 to 23 form part of these financial statements.

**Moorfield Group Limited**  
**Registered number: 01766196**

**Balance sheet**  
**As at 31 December 2016**

	<b>Note</b>	<b>2016 £000</b>	<b>2016 £000</b>	<b>2015 £000</b>	<b>2015 £000</b>
<b>Fixed assets</b>					
Tangible assets	11		<b>255</b>		220
Investments	12		<b>2,730</b>		2,215
			<b>2,985</b>		2,435
<b>Current assets</b>					
Debtors: amounts falling due within one year	13	<b>11,743</b>		11,385	
Cash at bank and in hand		<b>26,545</b>		10,285	
		<b>38,288</b>		21,670	
Creditors: amounts falling due within one year	14	<b>(16,105)</b>		(12,298)	
<b>Net current assets</b>			<b>22,183</b>		9,372
<b>Total assets less current liabilities</b>			<b>25,168</b>		11,807
<b>Provisions for liabilities</b>					
Deferred tax		<b>(15)</b>		-	
			<b>(15)</b>		-
<b>Net assets</b>			<b>25,153</b>		11,807
<b>Capital and reserves</b>					
Called up share capital	17		<b>1,629</b>		1,629
Capital redemption reserve			<b>2,848</b>		2,848
Other reserves			<b>5</b>		5
Retained earnings			<b>20,671</b>		7,325
<b>Total shareholders' funds</b>			<b>25,153</b>		11,807

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Nicholas Edwards**

Director

28 November 2017

The notes on pages 11 to 23 form part of these financial statements.

**Moorfield Group Limited**

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

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2016	1,629	2,848	5	7,325	11,807
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	13,346	13,346
<b>Total comprehensive income for the year</b>	-	-	-	13,346	13,346
<b>At 31 December 2016</b>	<b>1,629</b>	<b>2,848</b>	<b>5</b>	<b>20,671</b>	<b>25,153</b>

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

	<b>Called up share capital</b>	<b>Capital redemption reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total shareholders' funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 January 2015	1,629	2,848	5	3,158	7,640
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	4,167	4,167
<b>Total comprehensive income for the year</b>	-	-	-	4,167	4,167
<b>At 31 December 2015</b>	<b>1,629</b>	<b>2,848</b>	<b>5</b>	<b>7,325</b>	<b>11,807</b>

The notes on pages 11 to 23 form part of these financial statements.

**Notes to the financial statements  
For the year ended 31 December 2016**

**1. General information**

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 10 Grosvenor Street, London, W1K 4QB.

The Company's principal activity during the financial year was that of the provision of investment and asset management services.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation of financial statements**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (see note 3).

*The following principal accounting policies have been applied:*

**2.2 Consolidation**

These financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as a parent undertaking of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Stessa Trading Limited, a company incorporated in United Kingdom.

The Company has also included the results, assets and liabilities of the employee benefit trust.

**2.3 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- The company has taken advantage, under FRS 102 paragraph 1.12(b) from preparing a statement of cashflows on the basis that it is a qualifying entity and its ultimate parent Stessa Trading Limited, includes the company's cashflows in its consolidated financial statements.
- from certain financial instrument disclosures, required under FRS 102 paragraph 11.39 to 11.48A and paragraph 12.26 to 12.29, as the information provided in the consolidated financial statement disclosures; and
- from disclosing related party transactions that wholly owned within the same group under paragraph 33.1A from the provisions of FRS 102 on the grounds that at 31 December 2016, it was a wholly owned subsidiary.

**Notes to the financial statements  
For the year ended 31 December 2016**

**2. Summary of significant accounting policies (continued)**

**2.4 Revenue recognition and turnover**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Current taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.6 Investments**

Investments are stated at their purchase cost plus any incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Investment income is included in the profit and loss account on an accruals basis.

**2.7 Operating lease**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**2.8 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

**Notes to the financial statements  
For the year ended 31 December 2016**

**2. Summary of significant accounting policies (continued)**

**2.9 Employee benefits**

The company provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

**(i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

**(ii) Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 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.

**2.12 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.

**2.13 Financial instruments**

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances, directors' current accounts, amounts due from group undertakings and related parties and are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

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 Statement of comprehensive income.

If there is 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

**Notes to the financial statements  
For the year ended 31 December 2016**

**2. Summary of significant accounting policies (continued)**

**2.13 Financial instruments (continued)**

not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade creditors and short term loans, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The Company does not hold or issue derivative financial instruments.

**(iii) Offsetting**

Financial assets and liabilities are offset and 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.

**2.14 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.15 Cash and cash equivalents**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



**Notes to the financial statements  
For the year ended 31 December 2016**

**3. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical judgements in applying the entity's accounting policies**

No critical judgements have been made in applying the entity's accounting policies.

**3.2 Key accounting estimates and assumptions**

No key accounting estimates and assumptions have been made in applying the entity's accounting policies.

**4. Turnover**

The whole of the turnover is attributable to the Company's main activity which is carried out in the United Kingdom. No analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the interests of the Company.

**5. Operating profit**

The operating profit is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets	<b>104</b>	86
Fees payable to the Company's auditors and its associates for the audit of the company's annual financial statements	<b>20</b>	24
- The audit of the Company's subsidiaries pursuant to legislation	-	6
Amounts payable for operating lease rentals	<b>531</b>	467

**Moorfield Group Limited**

**Notes to the financial statements  
For the year ended 31 December 2016**

**6. Staff costs**

	<b>2016 £000</b>	<b>2015 £000</b>
Wages and salaries	<b>5,996</b>	5,509
Social security costs	<b>773</b>	760
Cost of defined contribution scheme	<b>244</b>	247
	<b><u>7,013</u></b>	<b><u>6,516</u></b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2016 No.</b>	<b>2015 No.</b>
Directors	<b>4</b>	4
Property	<b>13</b>	14
Finance	<b>6</b>	7
Administration	<b>4</b>	4
	<b><u>27</u></b>	<b><u>29</u></b>

**7. Directors' remuneration**

	<b>2016 £000</b>	<b>2015 £000</b>
Directors' emoluments	<b>2,296</b>	2,064
Company pension contributions to defined contribution pension schemes	<b>133</b>	132
	<b><u>2,429</u></b>	<b><u>2,196</u></b>

During the year retirement benefits were accruing to 4 directors (2015 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £822,000 (2015 - £761,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £69,475 (2015 - £68,000).

**8. Interest receivable and similar income**

	<b>2016 £000</b>	<b>2015 £000</b>
Interest receivable from group undertakings	<b>221</b>	277
Other interest receivable	<b>120</b>	18
	<b><u>341</u></b>	<b><u>295</u></b>

**Moorfield Group Limited**

**Notes to the financial statements  
For the year ended 31 December 2016**

**9. Interest payable and similar expenses**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interest payable to group undertakings	<u>270</u>	<u>135</u>
	<u><b>270</b></u>	<u><b>135</b></u>

**10. Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<u>-</u>	<u>517</u>
	<u>-</u>	<u>517</u>
<b>Total current tax</b>	<u>-</u>	<u>517</u>
<b>Deferred tax</b>		
Release of previously recognised tax losses	-	636
Short term timing differences	<u>15</u>	<u>-</u>
<b>Total deferred tax</b>	<u><b>15</b></u>	<u><b>636</b></u>
<b>Taxation on profit on ordinary activities</b>	<u><b>15</b></u>	<u><b>1,153</b></u>

## Moorfield Group Limited

### Notes to the financial statements For the year ended 31 December 2016

#### 10. Tax on profit on ordinary activities (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £000	2015 £000
Profit before taxation	13,361	5,320
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	2,672	1,074
Effects of:		
Expenses not deductible for tax purposes	12	149
Utilisation of losses	-	(671)
Deferred tax recognised	(12)	-
Adjustment to tax charge in respect of prior periods	27	-
Group relief claimed and not paid for	(2,684)	(30)
Release of previously recognised tax losses	-	631
<b>Total tax charge for the year</b>	<b>15</b>	<b>1,153</b>

##### Factors that may affect future tax charges

A change to reduce the UK corporation tax rate to 19% from 1 April 2017 had already been substantively enacted on 26 October 2015. The change to reduce this to 17% from 1 April 2020 was substantively enacted prior to the balance sheet date on 6 September 2016, and the effects of this are therefore included in these financial statements.

Notes to the financial statements  
For the year ended 31 December 2016

11. Tangible assets

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
<b>Cost</b>			
At 1 January 2016	754	547	1,301
Additions	134	5	139
At 31 December 2016	888	552	1,440
<b>Accumulated depreciation</b>			
At 1 January 2016	630	451	1,081
Charge for the year on owned assets	62	42	104
At 31 December 2016	692	493	1,185
<b>Net book value</b>			
At 31 December 2016	196	59	255
At 31 December 2015	124	96	220

12. Investments

	Investments in subsidiary undertakings £000	Investments in associated undertakings £000	Total £000
<b>Cost</b>			
At 1 January 2016	5,704	460	6,164
Additions	-	515	515
At 31 December 2016	5,704	975	6,679
<b>Impairment</b>			
At 1 January 2016	3,949	-	3,949
At 31 December 2016	3,949	-	3,949
<b>Net book value</b>			
At 31 December 2016	1,755	975	2,730
At 31 December 2015	1,755	460	2,215

## Moorfield Group Limited

### Notes to the financial statements For the year ended 31 December 2016

#### 12. Investments (continued)

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Moorfield Investment Management Limited	UK	Ordinary	100 %	Provision of investment management services
Moorfield Real Estate Fund GP Limited	UK	Ordinary	100 %	General Partner to two limited partnerships
Moorfield Real Estate Fund II GP Limited	UK	Ordinary	100 %	General Partner to two limited partnerships
Moorfield Newbury CIP Limited	UK	Ordinary	100 %	General Partner to limited partnerships
Moorfield Real Estate Fund CIP Limited	UK	Ordinary	100 %	General Partner to two limited partnerships
Moorfield Real Estate Fund II CIP Limited	UK	Ordinary	100 %	General Partner to two limited partnerships
Moorfield Hadrian's Hall Limited	UK	Ordinary	100 %	Dormant company
Moorfield Car Park I Limited	UK	Ordinary	100 %	Car park operator
Moorfield Car Park II Limited	UK	Ordinary	100 %	Car park operator
MREF III GP Limited	UK	Ordinary	100 %	General Partner to three limited partnerships
MREF III Limited	UK	Ordinary	100 %	Investment company
BG-MF Investments GP Ltd	UK	Ordinary	100 %	General Partner to one limited partnership
Precis (2768) Limited	UK	Ordinary	100 %	General Partner to one limited partnership
MREF III BG GP Limited	UK	Ordinary	100 %	General Partner to one limited partnership
Buccmoor General Partner Limited	UK	Ordinary	100 %	General Partner to one limited partnership
Moorfield (Jewel Hotels) General Partner Limited	UK	Ordinary	100 %	General Partner to one limited partnership
MAREF CIP GP Ltd	UK	Ordinary	100 %	General Partner to one limited partnerships
MAREF GP Ltd	UK	Ordinary	100 %	General Partner to two limited partnerships

The registered address of all the subsidiary undertakings is Moorfield Group, 10 Grosvenor Street, London, W1K 4QB.

**Moorfield Group Limited**

**Notes to the financial statements  
For the year ended 31 December 2016**

**13. Debtors: amounts falling due within one year**

	<b>2016 £000</b>	<b>2015 £000</b>
Trade debtors	<b>661</b>	1,823
Amounts owed by group undertakings	<b>8,049</b>	6,996
Amounts owed by related undertakings	<b>44</b>	115
Other debtors	<b>1,688</b>	2,451
Prepayments and accrued income	<b>1,301</b>	-
	<b>11,743</b>	11,385

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**14. Creditors: Amounts falling due within one year**

	<b>2016 £000</b>	<b>2015 £000</b>
Trade creditors	<b>106</b>	192
Amounts owed to group undertakings	<b>11,700</b>	7,476
Amounts owed to related undertakings	<b>652</b>	524
Corporation tax	<b>144</b>	501
Other taxation and social security	<b>459</b>	418
Other creditors	<b>1</b>	3,187
Accruals and deferred income	<b>3,043</b>	-
	<b>16,105</b>	12,298

Amounts owed to group undertakings are subject to interest at a margin of 250 basis points over the Bank of England rate and are unsecured and repayable on demand.

Amounts owed to related undertakings are unsecured, interest free and repayable on demand.

**Moorfield Group Limited**

**Notes to the financial statements  
For the year ended 31 December 2016**

**15. Deferred taxation**

	<b>2016 £000</b>
At beginning of year	-
Charged to profit or loss	(15)
<b>At end of year</b>	<b>(15)</b>

The deferred taxation balance is made up as follows:

	<b>2016 £000</b>
Short term timing differences	(15)
	<b>(15)</b>

**16. Capital and other commitments**

The group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>2016 £000</b>
<b>Payments due</b>	
Not later than one year	-
Later than one year and not later than five years	1,630
Later than five years	-
	<b>1,630</b>

**17. Called up share capital**

	<b>2016 £000</b>	<b>2015 £000</b>
<b>Shares classified as equity</b>		
<b>Allotted and fully paid</b>		
162,856,219 (2015 - 162,856,219) ordinary shares of £0.01 each	<b>1,629</b>	1,629



## Moorfield Group Limited

### Notes to the financial statements For the year ended 31 December 2016

#### 18. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2016 it was a wholly owned subsidiary.

The company has identified the following transactions which fall to be disclosed under the terms of FRS 102 "related party transactions."

Other related party transactions

	2016 £000	2015 £000
Fees from MREF	-	166
Fees from MREF II	-	428
Fees from MREF III	1,172	705
Fees from other entities	375	-
	<u>1,547</u>	<u>1,299</u>

As at 31 December 2016, the following amounts are held on the balance sheet as (payables)/receivables

	2016 £000	2015 £000
Fees due from MREF	-	3
Fees due to MREF II	(549)	113
Fees due from MREF III	230	158
Fees due from other entities	225	-
	<u>(94)</u>	<u>274</u>

Loans have been advanced to directors of the company as follows: Marc Gilbard £nil (2015: £13,857); Nicholas Edwards £626,275 (2015 :£636,668); Charles Ferguson-Davie £251,275 (2015: £261,668).

The loans outstanding at 31 December 2016 were made to fund the purchase of shares in Stessa Trading Limited (the Company's ultimate parent undertaking) and are interest-free.

#### 19. Immediate and ultimate parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Stessa Limited, a company incorporated in England and Wales. The Company's ultimate parent undertaking and controlling party is Stessa Trading Limited, a company incorporated in England and Wales.

The smallest and the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is Stessa Trading Limited, a company incorporated in England and Wales. Copies of the group financial statements are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.