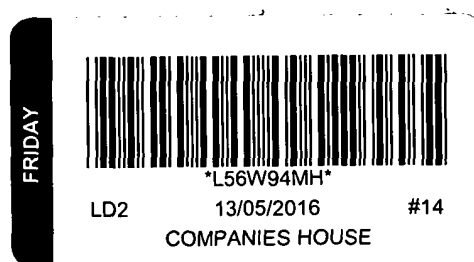


WATERLOO INVESTMENTS LIMITED



Directors' Report and Financial Statements For the year ended 31 December 2015

WATERLOO INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	M. Kheriba N. Barattieri di San Pietro
Company number	02592027
Registered office	8 Albion Riverside 8 Hester Road London SW11 4AX
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	The Royal Bank of Scotland 29 Old Brompton Road London SW7 3JE

WATERLOO INVESTMENTS LIMITED

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WATERLOO INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and financial statements for the year ended 31 December 2015.

Principal activities and review of the business

The principal activity of the Company throughout the year was property development and management services. The results for the year were as anticipated by the Directors.

Results and dividends

The results for the year are set out on page 3.

Directors

The following Directors have held office since 1 January 2015:

M. Kheriba
N. Barattieri di San Pietro

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

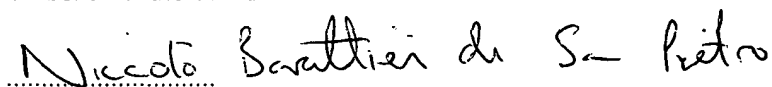
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

This report have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



N. Barattieri di San Pietro

Director

29 April 2016

WATERLOO INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WATERLOO INVESTMENTS LIMITED

We have audited the financial statements of Waterloo Investments Limited for the year ended 31 December 2015 set out on pages 3 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors' 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 director and auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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

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 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.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

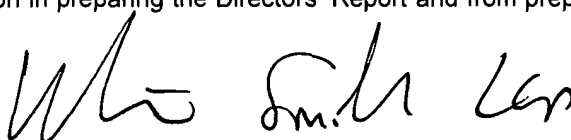
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and from preparing a Strategic Report.

Matthew Meadows (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP



Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

29 April 2016

WATERLOO INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31.12.2015 £	10 months ended 31.12.2014 £
Turnover	2	3,573,738	3,619,304
Cost of sales		(39,187)	(177,215)
Gross profit		<u>3,534,551</u>	<u>3,442,089</u>
Administrative expenses		(1,378,929)	(1,178,235)
Operating profit	3	<u>2,155,622</u>	<u>2,263,854</u>
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		<u>2,155,622</u>	<u>2,263,854</u>
Tax on profit on ordinary activities	4	-	(208,305)
Profit for the year/period	10	<u><u>2,155,622</u></u>	<u><u>2,055,549</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

WATERLOO INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	31.12.2015 £	£	31.12.2014 £	£
Fixed assets					
Tangible assets	5		21,282		30,621
Current assets					
Debtors	6	2,683,897		1,405,680	
Cash at bank and in hand		75,698		79,007	
		<u>2,579,595</u>		<u>1,484,687</u>	
Creditors: amounts falling due within one year	7	<u>(3,046,563)</u>		<u>(3,936,616)</u>	
Net current liabilities			<u>(286,968)</u>		<u>(2,451,929)</u>
Net liabilities			<u>(265,686)</u>		<u>(2,421,308)</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		<u>(265,786)</u>		<u>(2,421,408)</u>
Shareholder's funds	11		<u>(265,686)</u>		<u>(2,421,308)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board and authorised for issue on 29 April 2016

Niccolò Barattieri di San Pietro

N. Barattieri di San Pietro
Director

Company Registration No. 02592027

WATERLOO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

At 31 December 2015, the Company's balance sheet shows net liabilities of £265,686 (2014: £2,421,308), which includes a balance of £2,313,383 (2014: £3,726,742) due to parent and fellow subsidiary undertakings. The Company has received written assurances from its immediate parent, Northacre PLC that it will continue to support the Company in all of its working capital requirements for at least 12 months from the date of the signing of these accounts. The Directors of Northacre PLC have prepared projected cash flow information, which shows that it has the capacity to support the Company for at least 12 months from the date of the signing of these accounts. The Company also has significant budgeted profits for the next four years at a similar level to the profit before tax for the year ended 31 December 2015. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable in respect of project management fees and is stated net of VAT. Shares in development profits and performance fees are recognised when the amounts involved have been finally determined and agreed criteria for recognition have been fulfilled.

Turnover also represents sales commission fees receivable where the company acts as sales agent on developments. The sales commission is recognised 50% on exchange of contracts, which is non refundable and 50% on completion.

Turnover also represents amounts charged to other Group companies for management services provided.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33 1/3% straight line
Fixtures, fittings & equipment	25% straight line

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The Company makes contributions to the private pension schemes of all staff members. The pension cost charge represents contributions payable to the schemes during the year.

1.7 Deferred taxation

Deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date. The deferred tax balance has not been discounted.

1.8 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 profit and loss account.

2 Turnover

The turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WATERLOO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Operating profit

	Year ended 31.12.2015	10 months ended 31.12.2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	21,817	19,249
Operating lease rentals		
- Plant and machinery	6,588	5,675
- Land and buildings	209,750	147,585
Auditors' remuneration	12,875	12,500
	<u>229,022</u>	<u>164,909</u>

4 Taxation

	Year ended 31.12.2015	10 months ended 31.12.2014
	£	£
Corporation tax		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax charge	-	208,305
Total tax charge	<u>-</u>	<u>208,305</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	2,155,622	2,263,854
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 – 21.00%)	431,124	475,409
Effects of:		
Non-deductible expenses	399	961
Depreciation	4,363	4,042
Capital and annual investment allowance	(3,175)	(2,001)
Tax loss utilised	-	(298,128)
Group relief	(432,711)	(153,398)
Other timing differences	-	(26,885)
	<u>(431,124)</u>	<u>(475,409)</u>
Current tax charge	<u>-</u>	<u>-</u>

WATERLOO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Tangible fixed assets

	Computer Equipment £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 January 2015	147,694	22,204	169,898
Additions	2,786	9,692	12,478
At 31 December 2015	150,480	31,896	182,376
Depreciation			
At 1 January 2015	119,870	19,407	139,277
Charge for the year	18,597	3,220	21,817
At 31 December 2015	138,467	22,627	161,094
Net book value			
At 31 December 2015	12,013	9,269	21,282
At 31 December 2014	27,824	2,797	30,621

6 Debtors

	31.12.2015 £	31.12.2014 £
Trade debtors	741,283	31,084
Amounts owed by parent and fellow subsidiary undertakings	1,184,877	1,166,527
Prepayments and accrued income	757,737	208,069
	<u>2,683,897</u>	<u>1,405,680</u>

7 Creditors: amounts falling due within one year

	31.12.2015 £	31.12.2014 £
Trade creditors	3,272	787
Amounts owed to parent and fellow subsidiary undertakings	2,313,383	3,726,742
Taxes and social security costs	163,187	68,562
Accruals and deferred income	566,721	140,525
	<u>3,046,563</u>	<u>3,936,616</u>

8 Pension costs

Defined contribution

	Year ended 31.12.2015 £	10 months ended 31.12.2014 £
Contributions payable by the Company for the year/ period	<u>33,029</u>	<u>26,415</u>

WATERLOO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

9 Share capital

	31.12.2015 £	31.12.2014 £
Allotted, called up and fully paid		
100 Ordinary shares of £1	100	100

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2015	(2,421,408)
Profit for the financial year	2,155,622
Balance at 31 December 2015	(265,786)

11 Reconciliation of movements in shareholders' funds

	Year ended 31.12.2015 £	10 months ended 31.12.2014 £
Profit for the financial year/ period	2,155,622	2,055,549
Opening shareholders' funds	(2,421,308)	(4,476,857)
Closing shareholders' funds	(265,786)	(2,421,308)

12 Contingent liabilities

The Company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' VAT liabilities amounting to £92,642 (2014: £ nil).

13 Financial commitments

At 31 December 2015 the Company was committed to making the following payments under non-cancellable leases in the year to 31 December 2016:

	Other 31.12.2015 £	31.12.2014 £
Operating leases which expire:		
Less than one year	1,988	1,344
Between two and five years	4,657	1,164
	6,645	2,508

14 Employees

Number of employees

The average monthly number of employees (including Directors) during the year/ period was:

	Year ended 31.12.2015 Number	10 months ended 31.12.2014 Number
Office and management	12	12

WATERLOO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Employees (continued)

	Year ended 31.12.2015	10 months ended 31.12.2014
Employment costs	£	£
Wages and salaries	839,240	686,780
Social security costs	110,133	79,892
Other pension costs	33,029	26,415
	<u>982,402</u>	<u>793,087</u>

Directors received no remuneration in the current or preceding period from the Company.

15 Control

The Company is a wholly owned subsidiary of Northacre PLC, its immediate parent company, a company registered in England and Wales. Copies of the Group financial statements are available from 8 Albion Riverside, 8 Hester Road, London, SW11 4AX. The ultimate parent company is Abu Dhabi Financial Group LLC, a company registered in the United Arab Emirates.

16 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with Group companies on the grounds that consolidated financial statements are prepared by the immediate parent Company.

The Company was charged £nil (2014: £100,050) in consultancy fees by K.B. Nilsson who is a Director of the immediate parent company Northacre PLC. The fees of £100,050 in the prior period have been fully recovered from Palace Revive Development Limited, a company set up to develop the 1 Palace Street project and controlled by Abu Dhabi Financial Group LLC.