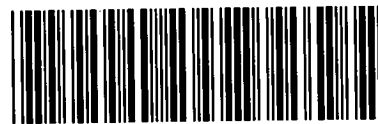


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**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019
FOR
D.U.K.E. Properties (Marsh Mills)
Limited**

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for the Year Ended 30 September 2019

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**D.U.K.E. Properties (Marsh Mills)
Limited**

**COMPANY INFORMATION
for the Year Ended 30 September 2019**

DIRECTORS:	Cromwell Director Limited J E Maddy
SECRETARY:	Cromwell Corporate Secretarial Limited
REGISTERED OFFICE:	1st Floor, Unit 16, Manor Court Business Park Scarborough North Yorkshire YO11 3TU
REGISTERED NUMBER:	04148580 (England and Wales)

**REPORT OF THE DIRECTORS
for the Year Ended 30 September 2019**

The directors present their annual report and the audited financial statements of the company for the period ended 30 September 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

REVIEW OF BUSINESS

The company's profit for the period is £36,000 (2017: profit of £2,247,000) and is dealt with as shown on the income statement.

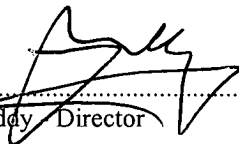
DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

Cromwell Director Limited
J E Maddy

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

ON BEHALF OF THE BOARD:


.....
J E Maddy Director

Date: 5 June 2020

INCOME STATEMENT
for the Year Ended 30 September 2019

		Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
	Notes		
CONTINUING OPERATIONS			
Revenue		57	14,869
Cost of sales		<u>(45)</u>	<u>(12,264)</u>
GROSS PROFIT		12	2,605
Administrative expenses		<u>(4)</u>	<u>(17)</u>
OPERATING PROFIT		8	2,588
Finance costs	4	<u>(8)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	5	-	2,588
Income tax	6	<u>36</u>	<u>(341)</u>
PROFIT FOR THE YEAR		<u><u>36</u></u>	<u><u>2,247</u></u>

The notes form part of these financial statements

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 September 2019

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
PROFIT FOR THE YEAR	36	2,247
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>36</u>	<u>2,247</u>

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
30 September 2019**

	Notes	30.9.19 £'000	30.9.18 £'000
ASSETS			
CURRENT ASSETS			
Receivables	8	<u>2,082</u>	<u>5,894</u>
TOTAL ASSETS		<u>2,082</u>	<u>5,894</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	9	-	-
Accumulated profits	10	<u>1,430</u>	<u>1,395</u>
TOTAL EQUITY		<u>1,430</u>	<u>1,395</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	11	347	4,158
Tax payable		<u>305</u>	<u>341</u>
		<u>652</u>	<u>4,499</u>
TOTAL LIABILITIES		<u>652</u>	<u>4,499</u>
TOTAL EQUITY AND LIABILITIES		<u>2,082</u>	<u>5,894</u>

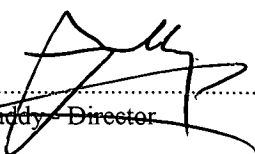
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements on pages 3 to 16 were approved by the Board of Directors and authorised for issue on *5 June 2020* and were signed on its behalf by:


.....
J-E Maddy - Director

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 September 2019**

	Called up share capital £'000	Accumulated profits £'000	Total equity £'000
Balance at 1 July 2017	-	1,998	1,998
Changes in equity			
Dividends	-	(2,850)	(2,850)
Total comprehensive income	-	2,247	2,247
Balance at 30 September 2018	-	1,395	1,395
Changes in equity			
Total comprehensive income	-	36	36
Balance at 30 September 2019	-	1,431	1,431

**STATEMENT OF CASH FLOWS
for the Year Ended 30 September 2019**

		Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	8	2,850
Interest paid		<u>(8)</u>	<u>-</u>
Net cash from operating activities		<u>-</u>	<u>2,850</u>
 Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(2,850)</u>
Net cash from financing activities		<u>-</u>	<u>(2,850)</u>
		<u>-</u>	<u>-</u>
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		<u>-</u>	<u>-</u>
 Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 September 2019

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
Profit before income tax	-	2,588
Finance costs	<u>8</u>	<u>-</u>
	8	2,588
Decrease in inventories	-	2,500
Decrease/(increase) in trade and other receivables	3,393	(5,848)
(Decrease)/increase in trade and other payables	<u>(3,393)</u>	<u>3,610</u>
Cash generated from operations	<u><u>8</u></u>	<u><u>2,850</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2019**

1. STATUTORY INFORMATION

D.U.K.E. Properties (Marsh Mills) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with European Union ("EU") Endorsed International Financial Reporting Standards ("IFRSs"), IFRS IC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties in accordance with IAS 40 'Investment Property'.

The preparation of financial statements in conformity with IFRSs 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.

Changes in accounting policies

General information

The company is a limited liability company incorporated and domiciled in Scotland. The address of its registered office is: Exchange Place 3, 3 Sempole Street, Edinburgh, EH3 8BL.

Revenue

Revenue comprises both the sale of development land and amounts received under property development contracts. Contract revenue is recognised over the course of the development contract. Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company recognises financial instruments when it becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to receive the cash flows expires or it has transferred the financial asset and the economic benefit of the cash flows. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Financial instruments are used to support the company's operations. Interest is charged to the income statement as incurred or earned. Issue costs for instruments subsequently recorded at amortised cost are netted against the fair value of the related debt instruments on initial recognition and are charged to the income statement over the term of the relevant facility.

Financial instruments are recorded initially at fair value. Subsequent measurement depends on the designation of the instrument, as follows:

- a) Financial assets/liabilities held for short term gain, including derivatives other than hedging instruments, are measured at fair value and movements in fair value are credited/charged to the income statement in the year.
- b) Loans and receivables/payables and non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market are measured at amortised cost. These are included in current assets/liabilities except for instruments that mature after more than 12 months which are included in non current assets/liabilities.

Critical judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements, and the key areas summarised below.

Areas of judgement and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

Assessment of net realisable value of development property inventory

Development appraisals have been undertaken to estimate the residual value of the landholding after due regard to the cost of and revenue from the development of the property.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax

The expense or credit for current tax is based on the results for the year adjusted for items that are either not subject to taxation or for expenditure which cannot be deducted in computing the tax expense or credit. The tax expense or credit is calculated using taxation rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is recognised using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax is recognised in respect of all taxable temporary differences, with certain limited exceptions:

- deferred tax is not provided on the initial recognition of an asset or liability in a transaction that does not affect accounting profit or taxable profit and is not a business combination; and
- deferred tax assets are only recognised if it is probable that there will be sufficient profits from which the future reversal of the temporary differences can be deducted. In deciding whether future reversal is probable, the directors review the company's forecasts and make an estimate of the aggregate deferred tax asset that should be recognised. This aggregate deferred tax asset is then allocated into the different categories of deferred tax.

Deferred tax is calculated at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except where it applies to items credited or charged to equity, in which case the deferred tax is also dealt with in equity.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

In the preparation of the company's statement of cash flows, cash and cash equivalents represent short term liquid investments which are readily realisable. Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the statement of financial position.

Ordinary shares

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

Dividend distribution

Dividend distribution to the company's shareholders is recognised in the financial statements in the year in which the dividends are paid.

Impairment

The carrying value of cash generating units (taking into account related liabilities and allocated central net assets) is tested for impairment by comparison with expected relevant future cash flows discounted at the pre-tax cost of capital taking into account appropriate risk; provision is made for any impairment identified.

When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of 'value in use' (being the present value of expected future cash flows of the relevant cash generating unit) or 'fair value less costs to sell'. Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the company could receive for the cash generating unit in an arm's length transaction.

Receivables

Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, default in payment or a significant deterioration in credit worthiness. Any impairment is recognised in the income statement within 'administrative expenses'. When a receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against 'other operating income and expenses' in the income statement.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The company had no employees during the current or prior year.

Directors' emoluments

The directors are executives of the Cromwell (Europe) Limited group. D.U.K.E. Investor Jersey Limited, the ultimate parent company, has a management agreement with Cromwell Management Services Limited, a subsidiary of Cromwell (Europe) Limited. The management charge is invoiced to D.U.K.E. Properties (Marsh Mills) Limited. The management charge includes various costs and the directors' remuneration cannot be separately identified.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

4. NET FINANCE COSTS

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
Finance costs:		
Other interest payable	<u>8</u>	<u>-</u>

5. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
Cost of inventories recognised as expense	<u>45</u>	<u>2,500</u>

6. INCOME TAX

Analysis of tax (income)/expense

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
Current tax:		
Corporation tax	-	341
Prior year tax adjustment	<u>(36)</u>	<u>-</u>
Total tax (income)/expense in income statement	<u>(36)</u>	<u>341</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019

6. INCOME TAX - continued

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.9.19 £'000	Period 1.7.17 to 30.9.18 £'000
Profit before income tax	<u>-</u>	<u>2,588</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	-	492
Effects of:		
intercompany loans		
Losses brought forward	-	(151)
Adjustment in respect of prior years	<u>(36)</u>	<u>-</u>
Tax (income)/expense	<u>(36)</u>	<u>341</u>

7. DIVIDENDS

During the year the company proposed and paid a dividend of £nil (2018: £2,850,000).

8. RECEIVABLES

	30.9.19 £'000	30.9.18 £'000
Current:		
Trade receivables	-	523
Amounts owed by group undertakings	1,873	-
Other receivables	164	5,371
Value added tax	<u>45</u>	<u>-</u>
	<u>2,082</u>	<u>5,894</u>

The carrying amount of receivables approximates to their fair value. All of the company's receivables are denominated in sterling.

The receivables do not contain impaired assets.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.19 £	30.9.18 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

10. RETAINED EARNINGS

	Retained earnings £'000
At 1 October 2010	1,395
Profit for the year	36
	<hr/>
At 30 September 2019	<u><u>1,431</u></u>

11. PAYABLES

	30.9.19 £'000	30.9.18 £'000
Current:		
Trade payables	(1)	551
Amounts owed to group undertakings	-	418
Accruals and deferred income	348	3,187
Value added tax	-	<u>2</u>
	<u><u>347</u></u>	<u><u>4,158</u></u>

All amounts owed to group undertakings are repayable on demand, carry no security and are interest free.

12. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is D.U.K.E. Investor Jersey Limited.

The company's ultimate parent undertaking is OZRE Holdings XVIII LLC, an American entity.

13. CONTINGENT LIABILITIES

There are no contingent liabilities at the year end.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 September 2019**

14. RELATED PARTY DISCLOSURES

Amounts owed to group undertakings

The funding of D.U.K.E. Investor Jersey Limited and its subsidiaries ('the group') is controlled centrally. Resources are allocated to different entities within the Group according to their needs, which constantly vary due to differing trading patterns, seasonality and other factors. The amounts owed at the year end disclosed in notes 12 include £1,837,018 owed by (2018: £403,000 owed to) D.U.K.E. Investor Jersey Limited.