

Delancey Commercial Limited

Annual report and financial statements

For the period ended 31 December 2015

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Delancey Commercial Limited

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Delancey Commercial Limited

Directors and advisers

Director	P Brosnahan (appointed 15 October 2014)
Company secretary	J Murphy
Registered number	09264883
Registered office	Hiview House Highgate Road London NW5 1TN
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Delancey Commercial Limited

Director's report

For the period ended 31 December 2015

The director presents his report and the audited financial statements of the Company for the period ended 31 December 2015.

The director has taken the small companies exemption from preparing a strategic report.

Incorporation

The Company was incorporated on 15 October 2014 and commenced trading on that date. The period covered by these financial statements was from incorporation to 31 December 2015.

Results and dividends

The profit for the period, after taxation, amounted to £677,283.

The director does not recommend the payment of a dividend.

Principal activities and review of business

The principal activity of the Company during the period was that of property development, and no significant changes are anticipated.

The key financial highlights are as follows:

	For the period 14 October 2014 to 31 December 2015 £
Turnover	2,562,000
Profit on ordinary activities before taxation	850,636
Total equity	677,284

The Company does not have a bank account. All funds are held by a Group Company. The Company therefore has no material interest rate, currency or liquidity risk.

Future developments

The Company will continue to develop property.

Financial risk management

The Company participates in group banking and credit arrangements through which all financial risks are managed.

Directors

The directors who held office during the period and up to the date of signing the financial statements, unless otherwise indicated are as follows:

P Brosnahan (appointed 15 October 2014)

M Behan (appointed 15 October 2014, resigned 31 December 2015)

Delancey Commercial Limited

Director's report

For the period ended 31 December 2015

Statement of director's responsibilities

The director is responsible for preparing the annual report and the Company financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102').

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Provision of information to auditors

Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Independent auditors

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

Small companies' exemption

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

This report was approved by the board on **24 MAY 2016** and signed on its behalf.



P Brosnahan
Director

Delancey Commercial Limited

Independent auditors' report to the members of Delancey Commercial Limited

Report on the financial statements

Our opinion

In our opinion, Delancey Commercial 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 2015 and of its profit for the period 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 2015;
- the Profit and loss account for the period then ended;
- the Statement of changes in equity for the period 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 director 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

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.

Director's remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to: take advantage of the small companies exemption in preparing the Director's report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Delancey Commercial Limited

Independent auditors' report to the members of Delancey Commercial Limited

Responsibilities for the financial statements and the audit

Our responsibilities and those of the director

As explained more fully in the Statement of director's responsibilities set out on page 3, the director is 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.

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 director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's 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.

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.



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

Date: 24 May 2016

Delancey Commercial Limited

**Profit and loss account
For the period ended 31 December 2015**

		For the period 14 October 2014 to 31 December 2015 £
	Note	
Turnover	5	2,562,000
Cost of sales		<u>(1,711,364)</u>
Profit on ordinary activities before taxation	6	850,636
Tax on profit on ordinary activities	8	<u>(173,353)</u>
Profit for the financial period		<u>677,283</u>

All amounts above relate to continuing operations.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 9 to 14 form part of these financial statements.

Delancey Commercial Limited
Registered number:09264883

Balance sheet
As at 31 December 2015

	Note	2015 £
Current assets		
Stocks	9	1,940,586
		<u>1,940,586</u>
Creditors: amounts falling due within one year	10	<u>(1,263,302)</u>
Net current assets		<u>677,284</u>
Total assets less current liabilities		<u>677,284</u>
Net assets		<u><u>677,284</u></u>
Capital and reserves		
Called up share capital	12	1
Profit and loss account		<u>677,283</u>
Total equity		<u><u>677,284</u></u>

The financial statements on pages 6 to 14 were approved by the board of Delancey Commercial Limited on
24 MAY 2016 and were signed on its behalf by



P Brosnahan
Director

The notes on pages 9 to 14 form part of these financial statements.

Delancey Commercial Limited

**Statement of changes in equity
As at 31 December 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Profit for the financial period	-	677,283	677,283
Total comprehensive income for the period	-	677,283	677,283
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
At 31 December 2015	1	677,283	677,284

The notes on pages 9 to 14 form part of these financial statements.

Delancey Commercial Limited

Notes to the financial statements For the period ended 31 December 2015

1. General information

Delancey Commercial Limited undertakes leasing of property and property investment. The Company is incorporated and domiciled in England and Wales and its registered office is Hiview House, Highgate Road, London, NW5 1TN.

2. Statement of compliance

The financial statements of Delancey Commercial Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The Company has adopted FRS 102 in these financial statements.

3.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention. 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption, under FRS 102 section 7, from preparing a statement of cash flows, on the basis that it is a small company.

3.3 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

3.4 Financial instruments

(a) Trade creditors and other payables

Trade creditors and other payables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Any changes in fair value are recognised in the profit and loss account.

**Notes to the financial statements
For the period ended 31 December 2015**

3. Summary of significant accounting policies (continued)

3.5 Share capital

Ordinary shares are classified as equity and recorded at the value of consideration received. 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.

3.6 Revenue recognition

Turnover comprises revenue recognised by the Company in respect of property sales, exclusive of Value Added Tax.

3.7 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(a) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

(b) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Notes to the financial statements
For the period ended 31 December 2015**

4. 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Carrying value of stock

Inventories of land, work-in-progress and completed units are stated in the balance sheet at the lower of cost and NRV. Due to the nature of development activity and, in particular, the length of the development cycle, the company has to allocate site-wide development costs between completed units and those for future years. It also has to make estimates of the cost to complete such developments. These estimates are reflected in the margin recognised on developments in relation to sales recognised in the current and future years and the carrying value of the land and work-in-progress. There is a degree of inherent uncertainty in making such estimates.

5. Turnover

Turnover represents income in respect of property sales. All turnover arose within the United Kingdom.

6. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	For the period 14 October 2014 to 31 December 2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	500

7. Staff costs

The Company does not directly employ any staff. There was no remuneration paid to the directors by the Company during the period. There were no retirement benefits accruing to the directors.

Delancey Commercial Limited

**Notes to the financial statements
For the period ended 31 December 2015**

8. Tax on profit on ordinary activities

	2015 £
Corporation tax	
Current tax on profit for the period	173,353
Tax on profit on ordinary activities	<u>173,353</u>

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 20.38% as set out below:

	2015 £
Profit on ordinary activities before taxation	850,636
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.38%	173,353
Tax charge for the period	<u>173,353</u>

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

9. Stocks

	2015 £
Property for development	1,940,586
	<u>1,940,586</u>

Delancey Commercial Limited

Notes to the financial statements
For the period ended 31 December 2015

10. Creditors: Amounts falling due within one year

	2015 £
Amounts owed to group undertakings	1,089,949
Corporation tax	173,353
	<u>1,263,302</u>

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

11. Financial instruments

The Company had the following financial instruments

	2015 £
Financial liabilities	
Financial liabilities measured at amortised cost	(1,089,949)
	<u>(1,089,949)</u>

12. Called up share capital

	2015 £
Allotted and fully paid	
1 Ordinary share of £1	1
	<u>1</u>

During the period 1 ordinary share was issued for cash at a cost of £1 per share. The nominal value of this share was £1 and the consideration received was £1 after deducting expenses of £nil.

13. 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 2015 it was a wholly owned subsidiary.

Delancey Commercial Limited

Notes to the financial statements For the period ended 31 December 2015

14. Ultimate controlling party

The immediate parent undertaking is J. Murphy & Sons (Delancey Street) Limited.

The ultimate parent undertaking and controlling party is Maryland Limited, a company incorporated in the Isle of Man. Maryland Limited is controlled by a Murphy family trust.

Drilton Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statement of Drilton Limited are available from Hiview House, Highgate Road, London NW5 1TN.

J. Murphy & Sons Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of J. Murphy & Sons Limited can be obtained from Hiview House, Highgate Road, London NW5 1TN.