NORTHACRE

LONDON

Northacre PLC – Report and Accounts 2015

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Chairman's Statement

There is a growing concern amongst developers and investors in the London Prime Residential Sector over increasing costs and a reduction in the volume of transactions. There are a number of factors contributing to these issues, the prime factor being the chancellor's increase in the stamp duty tax which has had an adverse effect on luxury properties.

The uncertainty surrounding a possible Brexit has further undermined the market. The other main area of concern is the rise in construction costs where, in some instances, costs have doubled over a period of 12 months.

Despite an abundance of job opportunities, (in excess of 12,000 job vacancies currently available in the UK construction industry), there has been a failure to attract new recruits, resulting in a shortage of skilled labourers. Over the next decade an estimated 400,000 skilled workers will retire, so the sector needs to recruit a further 200,000 workers over the next 5 years in order to deliver the pipeline of new projects.

Another area to consider is the potential effect a Brexit would have on the many skilled EU Nationals currently employed in the UK without whom the industry would suffer. As a consequence, several contractors have diverted away from the London Residential market to seek work in others sectors.

Northacre has been at the forefront of the Prime Residential Sector for over 25 years. Despite these challenges we will continue to take the lead in design, procurement and marketing which we are sure will enable us to continue to be the leading high-end residential developer in Prime Central London.

Klas Nilsson
Non-Executive Chairman

Date: 29th April 2016

Chief Executive's Statement

The last twelve months have seen Northacre PLC progressing on all fronts. Early in the year we were appointed as Development Managers for The Broadway (formally the New Scotland Yard site) in Westminster, one of the largest redevelopment sites in Prime Central London. In a twelve-month period we have been able to achieve full planning consent for a one million square foot, residentially-led, mixed use scheme. This is a testament to our current capabilities and thorough understanding of the planning process.

Current developments

The Broadway (formally known as New Scotland Yard site)

As mentioned above, in the space of twelve months we have managed to achieve a very ambitious planning consent for a very contentious site. We are now swiftly moving forward, and in May 2016 will start tendering the demolition contract with a view to commencing on-site once we get vacant possession in November. In parallel we are currently working on the branding and sales collateral.

1 Palace Street

The Demolition phase has been completed as per our programme and we have now tendered the larger subcontractor packages. We are aiming to sign up the general contractor in late April having 80% cost certainty. It should be noted that we are finding the construction market very challenging as contractors are not willing to take risk which is reflected in their pricing. On the sales front we have exchanged on twenty-eight units (as of December 31st) out of the seventy-two. This is a very good result as we have only been marketing since April 22nd (less than eight months).

Vicarage Gate House

The development reached Practical Completion on April 20th 2016. The issues we encountered at the sub-contractor level significantly impacted on the programme causing a one-year delay. On the other hand, we are delivering a beautiful building coupled with finishes of outstanding quality. Sales will resume in early May.

13&14 Vicarage Gate

Progress on site has been slower than expected, however, we reached Practical Completion in March 2016 for the lateral units and the rest are expected to follow in May. On the positive side, costs have been broadly in line with budget and the quality of the finishes is proving to be very good.

Chester Square

The basement works have been completed and the contractor for the second phase works, to the listed building, has been selected and began on-site this April. The basement works came under budget and the second phase contract has come in broadly in line with our forecasts.

22 Prince Edward Mansions

In early December 2015 we achieved Practical Completion and we have recently put the property on the market. The development was completed slightly under budget and the finishes are of a very high quality. We have had a very positive response from the agents and the property will be featured in several publications.

Outlook

The high-end residential market in Prime Central London has shown signs of price consolidation which is natural after a twenty-year bull run. During this prolonged period the market had experienced only one negative quarter. Looking more closely at market dynamics, it is clear that there has been a flight to quality where only the best properties are selling. I will go a step further and say that we have entered a binary market where challenged properties are not on the radar screen of buyers.

On a separate note, it is worth noting that construction inflation has reached unsustainable levels and this will prevent many developments from being delivered on time. In turn, this will constrain supply which will benefit the pricing on the developments which are being delivered. We strongly believe that Northacre's superior product will benefit from these constraints and that the business is well placed to enjoy significant and healthy demand going forward.

Niccolò Barattieri di San Pietro
Chief Executive Officer

Date: 29th April 2016

The Broadway

Vicarage Gate House

1 Palace Street

Financial Review

The past year has seen the Group continue to strive in pursuit of key objectives. On the 19th June 2015, Northacre was delighted to be officially appointed as Development Managers at The Broadway, popularly known as New Scotland Yard, the former home of the Metropolitan Police. The landmark development, alongside our continued work at our other prominent site 1 Palace Street, highlights the Group's sustained ambition to identify and acquire key London sites and will provide the Group with long-term stability for future growth.

During the year the Group continued work on the Chester Square, Vicarage Gate House, 13 & 14 Vicarage Gate, and 22 Prince Edward Mansions developments; the latter of which completed in December 2015. However deferred completion dates due to various events have had a disappointing impact on the Group's financial results compared to forecasts.

Consolidated Income Statement

Group revenue for the year increased to £4.2m (2014: £3.9m), this is notwithstanding the recognition of the development management fee and performance fee in respect of the property at 33 Thurloe Square in the previous period. Development management fee income decreased to £3.4m (2014: £3.6m) while N Studio's revenue increased to £0.5m (2014: £0.2m), which highlights the contribution of the interior design business to Northacre's developments, following rebranding in February 2015. This year also saw fees receivable where the Group acted as sales agents on 1 Palace Street. Commission received of £0.25m (2014: £nil) represents 50% of the total fee with a further 50% due on completion.

Although administrative expenses increased to £4.7m (2014: £4.4m) this does indicate a 12% efficiency saving on the previous 10-month period.

The Group reported a loss before tax of £1.2m (2014: £1,858).

Consolidated Statement of Financial Position

As at 31st December 2015 the Group had cash and cash equivalents of £1.2m (2014: £2.5m). The cash balance fell due to the need to fund operating activities and the delayed receipt of the development management fee for The Broadway, which is to be released at Vacant Possession.

The Group anticipates that next year's operating activities will be funded from current reserves and the proceeds of the sale of 22 Prince Edward Mansions. No requirement for further financing is expected.

Financing

In the prior period, the Group secured a loan facility with Royal Bank of Scotland to finance 22 Prince Edward Mansions. As at 31st December 2015, £2.4m had been drawn (2014: £1.0m), with no further drawdowns to take place following the year end. The loan incurs interest at 3.25% above LIBOR and is expected to be repaid in full prior to the end of the next financial year, either on completion of sale or 18 months following the initial drawdown.

The outlook for the next financial year is positive, with the expected completion of several developments and sale of 22 Prince Edward Mansions. The expected returns and release of capital from these developments will be utilised by the Group to stimulate further growth and to take advantage of investment opportunities.

Matthew Mowlam
Group Financial Controller

Date: 29th April 2016

Vicarage Gate House

22 Prince Edward Mansions

Board of Directors

Niccolò Barattieri di San Pietro
Chief Executive Officer

Niccolò Barattieri di San Pietro has over 18 years' experience in Finance / Real Estate. After spending several years alongside Est4te Four's Partners (who built their reputation in Milan by creating arguably the largest fashion quarter in the world), Niccolò helped Est4te Four to change from a plain developer to a global real estate advisor with developments in Milan, London, New York and Los Angeles. Prior to this Niccolò was the Head Trader for Theorema Asset Management, a $600 million European Equity Hedge Fund. Niccolò was also Head Trader at Newman Ragazzi, a $1 billion European Equity Hedge Fund.

Klas Nilsson
Non-Executive Chairman

Following his training as an architect in Germany, Klas founded Nilsson Architects in 1975. In 1977, he founded Northacre, turning his architectural practice into a wholly-owned subsidiary of the Group. This resulted in a brand new hybrid of architect/developer, fuelled by Klas's passionate desire to see projects through from design to completion, sharing jointly in the creation of the results.

Brian Harris
Non-Executive Director

Brian has over 35 years' experience in the building and property industry as a Partner of Built Asset Consultant, EC Harris LLP. A Fellow of the Royal Institution of Chartered Surveyors, he has specialised in cost and project management and is a leading authority on the delivery of capital projects and the management of risk. Brian has been closely involved in the growth of EC Harris LLP into one of the foremost global consultancies. He is a Trustee of the United Kingdom Historic Building Preservation Trust (part of The Prince's Regeneration Trust).

Mustafa Kheriba
Executive Director

Mustafa Kheriba is the Chief Operating Officer of Abu Dhabi Financial Group (ADFG), and is directly responsible for the day-to-day operations and financials of Abu Dhabi Capital Management Limited (ADCM) and group companies. Mustafa is also responsible for origination, deal sourcing, fund raising, due diligence, corporate governance and compliance. Prior to ADFG, Mustafa was the Vice President of Operations and Investment Management at Brainnox Investment Group, a German conglomerate based in Dubai. He oversaw their investments portfolio in Eastern Europe and the MENA region. Mustafa has a Masters of Business Administration from Ohio Dominican University, and a Bachelor of Arts from the University of Toronto.

Fawad Tariq Khan
Executive Director

Fawad heads up Integrated Alternative Finance, the debt platform of ADFG. He has ten years' experience in private equity and debt advisory roles, beginning his career with Deloitte in London focusing on management consulting and financial advisory for clients across the UK and mainland Europe including Tesco and Fortis. He joined Deloitte's M&A advisory team in the UAE in 2010 and helped set up its debt advisory practice in 2012 where he executed numerous high profile transactions including raising of US$ 770m across multiple structured debt facilities for GEMS Education and US$ 325m for IMG's Marvel and Cartoon Network theme park. Fawad holds an MSc in Business Studies from the Michael Smurfit Graduate Business School at University College Dublin and a BSc in Computer Science from University College Cork, Ireland.

Company Information

Company number:

03442280
Registered in England and Wales

Registered office:

8 Albion Riverside
8 Hester Road
London
SW11 4AX

Directors:

N. Barattieri di San Pietro
K.B. Nilsson (Non-executive Chairman)
E.B. Harris (Non-executive Director)
F.T. Khan
M. Kheriba

Secretary:

Capita Company Secretarial Services Limited
1st Floor
40 Dukes Place
London
EC3A 7NH

Bankers:

Royal Bank of Scotland
29 Old Brompton Road
London
SW7 3JE

Auditors:

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Nominated adviser and broker:

finnCap Limited
60 New Broad Street
London
EC2M 1JJ

Registrars:

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors:

Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

Corporate website:

www.northacre.com

Strategic Report

For the year ended 31st December 2015

The Directors present their Strategic Report for the year ended 31st December 2015.

Review of the business

Northacre PLC (the "Company") is the Group's holding company. The principal activity of its operating subsidiaries is property development, development management and the provision of architectural and interior design services for high quality residential property schemes.

Results and performance

The results of the Group for the year are set out in the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income on pages 15 and 16.

Net assets per share is 54.83 pence (2014: 57.59 pence). Net loss for the period before taxation is £1.2m (2014 net loss: £1,858) with a loss per share after taxation of 2.75 pence (2014: 0.62 pence profit per share).

Consolidated Income Statement

The Group's revenue for the year is £4.2m (2014: £3.9m) representing fee income rather than development income. Operating loss for the year is £1.2m (2014: £0.5 m). Administrative expenses for the year increased to £4.7m (2014: £4.4m). Investment revenue is £nil (2014: £0.5m) with 2014 being dividends received from the 33 Thurloe Square Development. After including the above items the Group recorded a loss before taxation of £1.2m (2014 loss: £1,858).

Consolidated Statement of Financial Position

The investment in available for sale financial assets at the beginning and at the end of the year represented the equity investment in the 1 Palace Street Development and 33 Thurloe Square Development.

In accordance with IAS 39 'Financial Instruments: Recognition and Measurement', available for sale financial assets are shown at fair value at each reporting date with changes in fair value being shown as Other Comprehensive Income, or at cost less any necessary provision for impairment where a reliable estimate of fair value is not able to be determined.

The Group continues to seek further development opportunities in London that will maximise returns to shareholders.

Financing

In the prior period, the Group secured a loan facility of up to £3.2m with Royal Bank of Scotland to finance the 22 Prince Edward Mansions Development of which £2.4m had been drawn at 31st December 2015 (2014: £1.0m).

The Group had cash of £1.2m at 31st December 2015 (2014: £2.5m), with debt of £2.4m (2014: £1.0m) and the Group has not drawn down any further loan facility since the year end.

Key performance indicators ("KPI's")

Despite the fact that the Group does not have specific KPI's set in place, management reviews the Group's performance by reviewing the monthly EBITDA (earnings before interest, tax, amortisation, depreciation and impairment of assets), cash projections, growth in revenue and gross profit. The reviews in the year concluded that the positive and improving trend in revenue income and budgeted future growth was consistent with the Directors' expectations.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and on-going review by management. Compliance with regulation, legal and ethical standards is a high priority for the Group and the Group's finance department takes on an important oversight role in this regard. The Audit Committee is responsible for satisfying itself that a proper internal control framework exists to manage financial risks and that controls operate effectively.

Strategic Report

For the year ended 31st December 2015 *(Continued)*

The nature of the Group's business makes it subject to a number of risks. The Directors have set out below the principal risks facing the business:

Changes in the UK tax system and government policy towards foreign ownership of property

The Group's philosophy and track record of delivery and branding are key components to unlocking the significant uplifts in sales revenues which consistently outperform market comparisons. Major contributors to the strength and expansion of the Northacre PLC residential market have been a very favourable tax system for foreigners and any adverse changes could potentially reduce property sale prices. The introduction of the 'Google Tax' on 1st April 2015 may have implications for the Group which management are currently assessing.

Continued increase of hard construction costs

The last two years have seen a constant rise in hard construction costs along with expansion of General Contractor profit margins. The Group is of the view that construction inflation has peaked, however should it continue to rise, it will reduce the overall profitability of our developments. The Group continues to carry out extensive tendering processes and actively develop strong working relations with contractors.

Reduction of high end transactions in the Prime Central London residential market

The market has witnessed a slowdown in sales at the higher end of the market which is starting to affect certain non-Northacre developments. It should be noted that sales levels of the Group's developments has continued to be strong mainly due to our overall strong product however, the Group continues to closely monitor the market.

Management controls

The ability of the Group to implement its strategy in a competitive market requires effective planning and management control systems. The Group's future growth will depend upon its ability to expand whilst managing operational, financial and management risk.

Liquidity risk

The current uncertain economic climate may impact the Group's cash flows and therefore its ability to pay its creditors as they fall due. A principal responsibility of management is to manage liquidity risk. The Group uses annual budgeting, forecasting and regular performance reviews to assess the longer term profitability of the Group and make strategic and commercial changes as required ensuring cash resources are maintained. During the period under review the Group utilised £2.4m of the loan facility of up to £3.2m and the Group regularly prepares cash flow forecasts which are reviewed at Board meetings to monitor liquidity.

Credit risk

The Group's principal financial assets are bank deposits and cash. The credit risk associated with the bank deposits and cash is limited as the counterparties have high credit ratings assigned by credit-rating agencies. Whilst historically credit risk has been low management continuously monitors its financial assets.

Dependencies on key executives and personnel

The Group's strength lays in the expertise and experience of its development management, architectural and interior design teams. The Group has incentivised all key and senior personnel with attractive basic packages. The Directors are also planning to implement a long-term incentive plan to retain quality key employees.

The Board of Directors carries out risk management as outlined in Note 2 to the Consolidated Financial Statements.

By Order of the Board

Capita Company Secretarial Services Limited

Corporate Secretary

Date: 29th April 2016

Directors' Report

For the year ended 31st December 2015

The Directors have pleasure in presenting their Directors' Report and Group financial statements for the year ended 31st December 2015.

In accordance with s414 c(11) of the Companies Act 2006 the Directors have chosen to include information about future developments and principal risks and uncertainties in the Strategic Report.

Dividends

No final dividend has been declared prior to the approval of these financial statements and the Board will continue to actively consider the payment of dividends.

Directors and their interests

The Directors who served the Company during the year together with their interests (including family interests) in the shares of the Company, at the beginning and end of the year, were as follows:

	Number of Issued 2.5p Ordinary Shares		
	At 31st December 2015	At 31st December 2014	% of Ordinary Shares
K.B. Nilsson	-	-	-
E.B. Harris	-	-	-
J. Alseddiqi (resigned 3rd November 2015)	-	-	-
M. Kheriba	-	-	-
N. Barattieri di San Pietro	-	-	-
F. Tariq Khan (appointed 3rd November 2015)	-	-	-

J. Alseddiqi has a shareholding in Abu Dhabi Financial Group LLC, the Group's ultimate parent company and therefore has an indirect interest in the shares of the Company. There has been no change in the interests of Directors since 31st December 2015 and up to the date of this report.

Substantial shareholdings

As at 8th April 2016, the Company had been notified of the following holdings in excess of 3% of the Ordinary share capital of the Company:

Spadille Limited	68.84%
Middle Eastern Properties Limited	25.45%
Mr Ahmed Ali Mukhtar Al Yousuf	3.57%

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and 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 Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

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 Group and of the Company and the financial performance and cash flows of the Group for that year.

In preparing those 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 in preparation of the Group and Company financial statements the Group has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Group financial statements; and
- prepare the accounts 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement of compliance in respect of the UK Corporate Governance Code

The principles of corporate governance and a code of best practice are set out in the UK Corporate Governance Code (UKCGC) issued in September 2014. The UKCGC requires certain disclosures to be made and although, as an AIM company, it is not obliged to report its compliance with UKCGC, the Company is committed to high standards of corporate governance throughout the Group and meeting the disclosure requirements as far as is reasonably practicable for a Group of this size.

The Board of Directors

At the date of this report, the Group Board was made up of three executive and two non-executive Directors. The Board of Directors is responsible for the management, overall strategy and direction of the Group and meets regularly throughout the year. At each meeting a proper agenda is presented noting all the matters that require discussion and approval by the Directors. Generally the information available for discussion consists of project and financial updates.

The Board reserves the right to approve key decisions to ensure it retains proper control and direction of the Group

Directors' Report

For the year ended 31st December 2015 *(Continued)*

whilst delegating authority to individual Directors who are responsible for day-to-day management of the business.

All Directors have, at the Company's expense, access to the services of the Company Secretary and where necessary, appropriate independent professional advisors.

Board appointments

All appointments to the Board are discussed at a full board meeting and each member is given the opportunity to meet the individual concerned prior to the appointment being made.

As permitted by the UKCGC, due to the small size of the Board, it is not considered appropriate to establish a Nominations Committee.

The Remuneration Committee

The Remuneration Committee is composed of one executive and one non-executive Director with advice sought, where necessary, from the Chief Executive Officer and the Company Secretary. It meets as required during the financial year to carry out its responsibility of reviewing the performance of the executive Directors and setting the scale and structure of their remuneration packages.

The Company operates within a competitive environment and its performance and success depends on the performance of certain key Directors and employees. Executive remuneration packages are designed to attract, motivate, and retain Directors of the calibre to maintain the Company's position at the forefront of the prime residential sector.

The remuneration packages of individual Directors are structured so that the performance related elements form a more significant proportion of the total packages in order that they are aligned with the interests of the shareholders.

It is a rule of the Remuneration Committee that a Director shall not participate in the decision making in his/her remuneration.

The Audit Committee

The Audit Committee is composed of one executive and two non-executive Directors. The Audit Committee was formed by the Board of Directors to establish formal and transparent arrangements for considering how the financial reporting and internal control principles should be applied, and for maintaining an appropriate relationship with the Group's auditors.

Re-election of Directors

Directors retire by rotation in accordance with the Company's Articles of Association, which prescribe that at every Annual General Meeting one third of the Directors for the time being shall retire from office. Non-executive Directors are appointed initially on a three-year term with a written notice period of three months by either party.

Shareholder relations

The Company maintains a website (www.northacre.com) where the Group's statutory accounts and announcements will be available. The website conforms to the requirements of AIM Rule 26 and all the relevant information can be found there. Queries raised by any shareholder are responded to by the appropriate personnel in the Group.

Internal control

The Board of Directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The purpose of the system of internal control is to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Directors have established an organisational structure with clear operating procedures, lines of responsibility and delegated authority. In particular, there are detailed procedures for capital investment into new development schemes and the approval of financial reporting. The Board has reviewed the need for an internal audit team and concluded that given the size of the Group it is not currently appropriate to employ such a function.

The Board has an Authority matrix which is designed to establish internal controls over payment approvals and the execution of legal agreements, representing a further risk management mechanism.

Statement of disclosure to auditors

(a) so far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and, in accordance with section 489 of the Companies Act 2006, a resolution proposing that Kingston Smith LLP be re-appointed as auditors of the Group will be put to the Annual General Meeting.

Annual General Meeting

Accompanying this report is the Notice of the Annual General Meeting which sets out the resolutions for the meeting.

The Directors consider all the resolutions to be put to the meeting to be in the best interests of Northacre PLC and its shareholders as a whole, and accordingly recommend shareholders vote in favour of them.

By Order of the Board

Capita Company Secretarial Services Limited

Corporate Secretary

Date: 29th April 2016

Independent Auditors' Report to the Shareholders of Northacre Plc

For the year ended 31st December 2015

We have audited the Group and Parent Company financial statements of Northacre PLC for the year ended 31st December 2015, which comprise the Consolidated Income Statement, Consolidated and Company Statements of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated and Company Statements of Cash Flows, Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Report (set out on pages 12 to 13) 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 (APB'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 Group's and the Parent 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 Strategic Report and 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 the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31st December 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

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

Date: 29th April 2016

Consolidated Income Statement

For the year ended 31st December 2015

Group	Note	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Group revenue	3	4,170,897	3,856,841
Cost of sales		(632,091)	25,092
Gross profit		3,538,806	3,881,933
Administrative expenses		(4,696,995)	(4,377,515)
Group loss from operations		(1,158,189)	(495,582)
Investment revenue	4	1,847	493,727
Finance costs	5	-	(3)
Loss for the year before taxation	6	(1,156,342)	(1,858)
Taxation	8	(9,210)	266,095
(Loss)/Profit for the year attributable to equity holders of the Company		**(1,165,552)**	**264,237**
(Loss)/Profit per Ordinary share			
Basic – Continuing and total operations	20	(2.75)p	0.62p
Diluted – Continuing and total operations	20	(2.75)p	0.62p
Company			
(Loss)/Profit for the year attributable to equity holders of the Company		**(3,349,908)**	**5,402,344**

Consolidated Statement of Comprehensive Income

For the year ended 31st December 2015

Group	Note	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
(Loss)/Profit for the period attributable to equity holders of the Company		(1,165,552)	264,237
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the period		**(1,165,552)**	**264,237**
Company			
(Loss)/Profit for the year attributable to equity holders of the Company		(3,349,908)	5,402,344
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the period	9	**(3,349,908)**	**5,402,344**

Consolidated Statement of Financial Position

As at 31st December 2015

	Note	31st Dec 2015 £	31st Dec 2014 £
Non-current assets			
Goodwill	10	8,007,417	8,007,417
Property, plant and equipment	11	595,525	721,525
Available for sale financial assets	12(a)	10,000,019	10,000,019
		18,602,961	18,728,961
Current assets			
Inventories	13	5,242,259	4,192,123
Trade and other receivables	14	2,116,491	787,210
Cash and cash equivalents		1,205,024	2,510,305
		8,563,774	7,489,638
Total assets		**27,166,735**	**26,218,599**
Current liabilities			
Trade and other payables	15	1,602,072	838,384
Borrowings, including lease finance	16	2,350,000	1,000,000
		3,952,072	1,838,384
Total liabilities		3,952,072	1,838,384
Equity			
Share capital	21	1,058,388	1,058,388
Share premium account	21	22,565,286	22,565,286
Retained earnings		(409,011)	756,541
Total equity		23,214,663	24,380,215
Total equity and liabilities		**27,166,735**	**26,218,599**

Approved by the Board on 29th April 2016

N. Barattieri di San Pietro
Director

Company registration no. 03442280

Company Statement of Financial Position

As at 31st December 2015

	Note	31st Dec 2015 £	31st Dec 2014 £
Non-current assets			
Property, plant and equipment	11	615,358	728,963
Investments	12(b)	18,006,328	18,006,328
		18,621,686	18,735,291
Current assets			
Trade and other receivables	14	6,391,113	8,999,218
Cash and cash equivalents		559,542	1,036,842
		6,950,655	10,036,060
Total assets		**25,572,341**	**28,771,351**
Current liabilities			
Trade and other payables	15	1,726,971	1,576,073
Borrowings, including lease finance	16	-	-
		1,726,971	1,576,073
Total liabilities		1,726,971	1,576,073
Equity			
Share capital	21	1,058,388	1,058,388
Share premium account	21	22,565,286	22,565,286
Retained earnings		221,696	3,571,604
Total equity		23,845,370	27,195,278
Total equity and liabilities		**25,572,341**	**28,771,351**

Approved by the Board on 29th April 2016

N. Barattieri di San Pietro
Director

Company registration no. 03442280

Consolidated and Company Statements of Cash Flows

For the year ended 31st December 2015

	Group		Company	
	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Cash flows from operating activities				
(Loss)/profit for the year before tax	(1,156,342)	(1,858)	(3,349,908)	5,350,239
Adjustments for:				
Investment revenue	(1,847)	(493,727)	(1,847)	(7,763,727)
Finance costs	-	3	-	-
Depreciation and amortisation	144,141	125,037	113,605	94,670
Increase in inventories	(1,050,136)	(4,023,564)	-	-
(Increase)/decrease in trade and other receivables	(1,338,491)	5,893,986	2,608,105	326,464
Increase/(decrease) in trade and other payables	763,688	(5,790,636)	150,898	(8,166,245)
Cash used in operations	(2,638,987)	(4,290,759)	(479,147)	(10,158,599)
Interest paid	-	(3)	-	-
Corporation tax – consortium relief refunded	-	266,095	-	798,173
Net cash used in operating activities	(2,638,987)	(4,024,667)	(479,147)	(9,360,426)
Cash flows from investing activities				
Purchase of property, plant & equipment	(18,141)	(23,823)	-	-
Increase in available for sale financial assets/investments	-	(1,175,360)	-	(1,175,360)
Interest received	1,847	64,854	1,847	64,854
Dividends received	-	428,873	-	7,698,873
Net cash (used in)/generated from investing activities	(16,294)	(705,456)	1,847	6,588,367
Cash flows from financing activities				
Proceeds from borrowings	1,350,000	1,000,000	-	-
Dividends paid	-	(14,999,481)	-	(14,999,481)
Net cash generated from/(used in) financing activities	1,350,000	(13,999,481)	-	(14,999,481)
Decrease in cash and cash equivalents	(1,305,281)	(18,729,604)	(477,300)	(17,771,540)
Cash and cash equivalents at the beginning of the year/period	2,510,305	21,239,909	1,036,842	18,808,382
Cash and cash equivalents at the end of the year/period	**1,205,024**	**2,510,305**	**559,542**	**1,036,842**

Consolidated and Company Statements of Changes in Equity

For the year ended 31st December 2015

Group	Called Up Share Capital	Share Premium Account	Merger Reserve	Retained Earnings	Total
	£	£	£	£	£
As at 1st March 2014	1,058,388	22,565,286	8,086,293	7,405,492	39,115,459
Profit for the period	-	-	-	264,237	264,237
Transactions with owners of the Company:					
Dividends	-	-	(8,086,293)	(6,913,188)	(14,999,481)
As at 31st December 2014	**1,058,388**	**22,565,286**	**-**	**756,541**	**24,380,215**
As at 1st January 2015	1,058,388	22,565,286	-	756,541	24,380,215
Loss for the period	-	-	-	(1,165,552)	(1,165,552)
As at 31st December 2015	**1,058,388**	**22,565,286**	**-**	**(409,011)**	**23,214,663**

Company	Called Up Share Capital	Share Premium Account	Merger Reserve	Retained Earnings	Total
	£	£	£	£	£
As at 1st March 2014	1,058,388	22,565,286	8,086,293	5,082,448	36,792,415
Total comprehensive profit for the period	-	-	-	5,402,344	5,402,344
Transactions with owners of the Company:					
Dividends	-	-	(8,086,293)	(6,913,188)	(14,999,481)
As at 31st December 2014	**1,058,388**	**22,565,286**	**-**	**3,571,604**	**27,195,278**
As at 1st January 2015	1,058,388	22,565,286	-	3,571,604	27,195,278
Total comprehensive loss for the period	-	-	-	(3,349,908)	(3,349,908)
As at 31st December 2015	**1,058,388**	**22,565,286**	**-**	**221,696**	**23,845,370**

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015

1. Principal Accounting Policies

The principal accounting policies are as follows:

Accounting basis and standards

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company and its subsidiaries in the prior period shortened their reporting periods to 31st December 2014 to be co-terminous with the ultimate parent undertaking Abu Dhabi Financial Group LLC. The amounts presented in the financial statements for the 10-month period ended 31st December 2014 are thus not entirely comparable to the year ended 31st December 2015.

During the year ended 31st December 2015 the Group adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards, including IAS19. These new standards and changes did not have any material impact on the Company's financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the Group for the first time for the financial year beginning 1st January 2016, but are not currently considered to be relevant to the Group (although they may affect the accounting for future transactions and events):

- IAS16 (Amended), 'Property, Plant and Equipment' and IAS 38 (Amended), 'Intangible Assets', issued in May 2014 and effective from 1st January 2016. These amendments clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. There is also a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate.
- IFRS11 (Amended), 'Joint Arrangements', effective for periods beginning on or after 1st January 2016 requires an acquirer of an interest in a joint operation in which the activity constitutes a business to apply all of the business combinations accounting principles in IFRS3 and all other IFRSs.
- IAS27 (Amended), 'Separate Financial Instruments', issued in August 2014 and effective 1st January 2016 permits investments in subsidiaries, joint ventures and associates to be optionally accounted using the equity method in separate financial statements.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1st January 2016 and have not been early adopted:

- IFRS9, 'Financial Instruments', effective for periods commencing on or after 1st January 2018 but not yet adopted by the EU. This is final version of the project to replace IAS39 'Financial Instruments: Recognition and Measurement'.
- IFRS15, 'Revenue from Contracts with Customers', effective for periods commencing on or after 1st January 2018 but not yet adopted by the EU. This standard focuses on a principles-based model which is to be applied to all contracts with customers.
- IAS12 (Amended), 'Income Taxes', effective for periods commencing on or after 1st January 2017 but not yet adopted by the EU. This amendment relates to the recognition of deferred tax assets for unrealised losses and clarifies that estimations for future taxable profits exclude tax deductions arising from the reversal of temporary differences.

Business combinations and goodwill

Goodwill relating to acquisitions prior to 1st March 2006 is carried at the net book value on that date and is no longer amortised but is subject to annual impairment review. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. Goodwill is tested annually for impairment.

Going Concern

The Company and Group currently meet their day-to-day working capital requirements through fees receivable from its projects: Vicarage Gate House, 13-14 Vicarage Gate, 1 Palace Street, 10 Broadway and Chester Square, and also through the bank loan.

The Directors have prepared detailed cash flow projections for the period ending 31st December 2020 making reasonable assumptions about the levels and timings of income and expenditure, and in particular the timing of receipt of certain fees due from major developments. These projections show that the Group can meet its on-going working capital requirements. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Significant judgements and areas of estimation

In preparing these financial statements the Directors are required to make judgements and best estimates of the outcome of and in particular, the timing of revenues, expenses, assets and liabilities based on assumptions. These assumptions are based on historical experience and various other factors that are considered reasonable under the various circumstances. The estimates and assumptions are reviewed on a regular basis with any revisions being applied in the relevant period. The material areas where estimates and assumptions are made are:

- The valuation of goodwill
- The valuation of available for sale financial assets
- The status and progress of the developments and projects

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

1. Principal Accounting Policies *(Continued)*

Basis of consolidation

The Group financial statements include the financial statements of the Company and its subsidiary undertakings. Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies of the subsidiary and therefore exercises control. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains the relevant level of control and are de-consolidated from the date at which control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Property, plant and equipment

Property, plant and equipment are stated at historical cost, net of any depreciation and any provision for impairment.

Depreciation has been calculated on a straight line basis and aims to write off the costs, less estimated residual value of each property, plant and equipment over their expected useful lives using the following periods:

Leasehold improvements	over the period of the lease
Fittings and office equipment	25% straight line
Computer equipment	33 1/3% straight line

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation but are instead tested annually for impairment and are subject to additional impairment testing if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment are reviewed annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in profit or loss in the year in which it occurs. When an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Inventories

Work in progress is valued at the lower of cost and net realisable value. Cost of work in progress includes overheads appropriate to the stage of development. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

Revenue

Revenue represents amounts earned by the Group in respect of services rendered during the period net of value added tax. 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. Fees in respect of project management and interior and architectural design are recognised in accordance with the stage of completion of the contract.

Revenue also includes sales commission fees receivable where the Group acts as sales agent on developments. The sales commission is recognised 50% on exchange of contracts, which is non-refundable and 50% on completion.

Current taxation

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profits as shown in profit or loss, as adjusted for items or expenditure, which are not deductible for tax purposes.

The current tax liability for the year is calculated using tax rates, which have either been enacted or substantively enacted at the reporting date.

Deferred taxation

Deferred tax is provided in full on all temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates which have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

1. Principal Accounting Policies *(Continued)*

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the statement of financial position and depreciated over their expected useful lives. The interest element of the rental obligations is charged to profit or loss over the period of the lease on a straight-line basis.

Rentals under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Investments

Investments in subsidiaries, associates and joint ventures, and other investments are presented in the Parent financial statements at cost, less any necessary provision for impairment.

Associates

Associates are all entities over which the Group exercise significant influence but does not exercise control. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, which includes goodwill identified on acquisition, net of any accumulated impairment loss. The Group's share of its associate's profits or losses after acquisition of its interest is recognised in profit or loss and cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Where the Group's share of losses of an associate equals or exceeds the carrying amount of the investment, the Group only recognises further losses where it has incurred obligations or made payments on behalf of the associate.

Financial assets

Available for sale financial assets consist of equity investments in other companies or limited partnerships where the Group does not exercise either control or significant influence. The investments reflect loans and capital contributions made in respect of projects undertaken with other partners in which the Group will be entitled to an eventual profit share.

Available for sale financial assets are shown at fair value at each reporting date with changes in fair value being shown in Other Comprehensive Income, or at cost less any necessary provision for impairment where a reliable estimate of fair value is not able to be determined. In cases where the Group can reliably estimate fair value of the available for sale financial assets, fair value will be determined in reference to practical completion of each development project.

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The valuation technique applied to the available for sale financial assets in the current and preceding period is a Level 3 technique.

Pensions

The Group operates a defined contribution pension scheme under which fixed contributions are payable. Pension costs charged to the income statement represent amounts payable to the scheme during the year.

Foreign currency translation

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities are translated at the rate of exchange ruling at the reporting date. Exchange differences are taken into account in arriving at Group operating loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are charged to the share premium account.

Equity balances

- Called up share capital represents the aggregate nominal value of Ordinary shares in issue.
- The share premium account represents the incremental paid up capital above the nominal value of Ordinary shares issued.
- The merger reserve represents the excess over nominal value of the fair value of consideration received for equity shares issued directly to acquire another entity meeting the specific requirements of section 612 of the Companies Act 2006.

Financial assets - loans and receivables

Trade receivables, loans and other receivables are classified as 'trade and other receivables' and are measured at cost less any provisions. Interest income is recognised by applying the appropriate interest rate of the contractual arrangement.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

1. Principal Accounting Policies *(Continued)*

Financial liabilities – loans and payables and borrowings

Trade payables, other payables and borrowings are classified as 'trade and other payables' and 'borrowings, including lease finance'. These are measured at amortised cost and the interest expense is recognised by applying the appropriate interest rate of the contractual arrangement.

Borrowings

Interest-bearing borrowings are recognised initially at fair value, net of any transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method with any differences between the proceeds (net of transaction costs) and the redemption value being recognised over the period of borrowings.

All borrowings are classified as current unless the Group has an unconditional right to defer payment of the borrowings until at least twelve months from the reporting date.

Borrowing costs which relate directly to a development which is included within inventories are capitalised as part of the cost of the inventory.

2. Capital and financial risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern, while maximising the return to shareholders through the optimisation of its debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents, debt and equity attributable to equity holders of the Parent Company, comprising issued capital, share premium account and retained earnings.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt or increase capital.

The Board regularly reviews the capital structure, with an objective to minimise net debt whilst investing in the development opportunities.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the property business and the operational risks are an inevitable consequence of being in business. The Group's aim is to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks by means of a reliable up-to-date information system. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by the Board of Directors. Directors are responsible for the identification of the major business risks faced by the Group and for determining the appropriate course of action to manage those risks. The most important types of risk are credit risk, liquidity and market risk. Market risk includes currency, interest rate and other price risks.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

3. Segmental information

Segmental information is presented in respect of the Group's business segments. The business segments are based on the Group's corporate and internal reporting structure. Segment results and assets include items directly attributable to a segment as well as those that can be allocated to a segment on a reasonable basis. The segmental analysis of the Group's business as reported internally to management is as follows:

Revenue	**Year ended 31st Dec 2015 £**	**10 months ended 31st Dec 2014 £**
Principal activities:		
Development management	3,413,702	3,554,800
Interior design	508,889	214,541
Architectural design	-	87,500
Sales agency commission	248,306	-
	4,170,897	**3,856,841**

Loss before taxation	**Year ended 31st Dec 2015 £**	**10 months ended 31st Dec 2014 £**
Development management	(579,793)	505,910
Interior design	(572,079)	(585,943)
Architectural design	(4,470)	78,175
	(1,156,342)	**(1,858)**

Assets	**31st Dec 2015 £**	**31st Dec 2014 £**
Development management	26,988,216	26,017,628
Interior design	159,351	86,839
Architectural design	19,168	114,132
	27,166,735	**26,218,599**

Liabilities	**31st Dec 2015 £**	**31st Dec 2014 £**
Development management	1,886,088	365,962
Interior design	1,453,578	769,522
Architectural design	612,406	702,900
	3,952,072	**1,838,384**

A geographical analysis of the Group's revenue, assets and liabilities is given below:

Revenue	**Year ended 31st Dec 2015 £**	**10 months ended 31st Dec 2014 £**
United Kingdom	4,170,897	3,880,379
Saudi Arabia	-	(23,538)
	4,170,897	**3,856,841**

Included in the revenue above are revenues in respect of customers who account for over 10% of the Group's total revenue.

	Year ended 31st Dec 2015 £	**10 months ended 31st Dec 2014 £**
Customer A (Interior design)	-	(23,538)
Customer B (Development management)	-	642,486
Customer C (Development management & interior design)	545,150	438,462
Customer D (Development management & interior design)	2,504,756	2,420,487
Customer E (Development management)	805,100	-

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

3. Segmental information *(Continued)*

Assets	31st Dec 2015 £	31st Dec 2014 £
United Kingdom	27,166,735	26,218,599
	27,166,735	**26,218,599**

Liabilities	31st Dec 2015 £	31st Dec 2014 £
United Kingdom	3,952,072	1,838,384
	3,952,072	**1,838,384**

4. Investment revenue

	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Interest received	1,847	64,854
Dividends received	-	428,873
	1,847	**493,727**

5. Finance costs

Interest on:	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Other interest	-	3
	-	**3**

6. Loss before taxation

	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Loss before taxation is stated after charging/(crediting):		
Depreciation and amounts written off property, plant and equipment:		
Owned assets	144,141	125,037
Operating lease rentals:		
Land and buildings	128,063	104,969
Foreign exchange gain	(281)	-
Fees payable to the Company's auditors for:		
- the audit of the Company's annual accounts	50,307	55,857
Fees payable to the Company's auditors for other services to the Group:		
- the audit of the Company's subsidiaries	38,535	33,600
Total audit fees	**88,842**	**89,457**
Fees payable to the Company's auditors for:		
- other taxation advisory services	5,000	5,000
- other services	15,450	16,762
Total other fees	**20,450**	**21,762**

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

7. Employees

	Year ended 31st Dec 2015 Number	10 months ended 31st Dec 2014 Number
The average weekly number of employees (including Directors) during the year was:		
Office and management	13	12
Design and management	9	12
	22	**24**

	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Staff costs for the above employees:		
Wages and salaries	1,782,600	1,691,496
Social security costs	230,996	184,657
Other pension costs - money purchase schemes	76,848	65,344
	2,090,444	**1,941,497**

Remuneration in respect of Directors was as follows:	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Aggregate emoluments (including benefits in kind)	570,000	475,000
Consultancy fees	-	100,050
Other fees	30,000	25,000
	600,000	**600,050**
Company contribution to money purchase pension schemes	**33,000**	**27,500**

Remuneration for each Director (including benefits in kind)	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
M. Kheriba	-	-
J. Alseddiqi (resigned 3rd November 2015)	-	-
N. Barattieri di San Pietro	500,000	416,667
K.B. Nilsson	70,000	158,383
E.B. Harris	30,000	25,000
F.T. Khan (appointed 3rd November 2015)	-	-
	600,000	**600,050**

Remuneration of £30,000 (2014: £25,000) for Director E.B. Harris is payable to EC Harris LLP.

Remuneration in respect of the highest paid Director was as follows:	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Aggregate emoluments (including benefits in kind)	500,000	416,667
Company contribution to money purchase pension scheme	33,000	27,500
	533,000	**444,167**

The total emoluments of £500,000 (2014: £416,667) above includes bonuses of £225,000 (2014: £187,500). The Directors consider that the key management personnel for reporting purposes as defined by IAS24 'Related Party Disclosures' are the Directors themselves only.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

8. Taxation

(a) Analysis of charge in year	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Current tax:		
Corporation tax credit	-	-
Adjustment in respect of prior periods	-	(347,727)
Total current tax	**-**	**(347,727)**
Deferred tax:		
Deferred tax charge	9,210	81,632
Total deferred tax charge	**9,210**	**81,632**
Total tax charge/(credit)	**9,210**	**(266,095)**

(b) Factors affecting the tax charge for the year The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20% (2014: 21%). The differences are explained below:	Year ended 31st Dec 2015 £	10 months ended 31st Dec 2014 £
Loss on ordinary activities before tax	**(1,156,342)**	**(1,858)**
Loss on ordinary activities multiplied by the standard rate of corporation tax of 20% (2014: 21%)	(231,268)	(390)
Effects of:		
Expenses not deductible for tax purposes	2,314	2,339
Depreciation for the period in excess of capital allowances	22,232	26,258
Dividends and distributions received	-	(90,063)
Utilisation of tax losses	-	(314,450)
Other timing differences	2,330	(103,709)
Loss carried forward	204,392	480,015
Consortium relief	-	(347,727)
Current tax credit for the period	**-**	**(347,727)**

(c) Factors that may affect future tax charges

The standard rate of corporation tax was reduced to 20% from 1st April 2015.

9. (Loss)/profit of the Parent Company

As permitted by section 408 of the Companies Act 2006, the profit or loss element of the Parent Company Income Statement is not presented as part of these financial statements. The Group loss for the year ended 31st December 2015 of £1,165,552 (2014 profit: £264,237) includes a loss of £3,349,908 (2014 profit: £5,402,344), which was dealt with in the financial statements of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

10. Goodwill

Group	31st Dec 2015 £	31st Dec 2014 £
Cost	14,940,474	14,940,474
Amortisation and impairment		
At the beginning of the year	6,933,057	6,933,057
Impairment charge for the year	-	-
At the end of the year	6,933,057	6,933,057
Net book value	**8,007,417**	**8,007,417**

The Group performs an annual goodwill impairment review in accordance with IAS 36 'Impairment of Assets' based on its cash generating units (CGUs). The CGU that has associated goodwill allocated to it is the Group as a whole. This is the smallest identifiable group of assets that generate cash inflows to which goodwill is allocated. Although the interior design business is a separate CGU goodwill was not specifically allocated to it when the goodwill arose because it was treated as an integrated business when the Group was originally restructured. The Directors consider that it is now not appropriate to allocate goodwill to this CGU.

Recoverable amount

In accordance with IAS 36 the recoverable amount of the CGU is calculated, being the higher of value in use and fair value less costs to sell.

The fair value less costs to sell of the CGU is determined using cash flow projections derived from the business plan covering a five year period which has been approved by the Board. They reflect the Directors' expectations of the level and timing of revenue, expenses, working capital and operating cash flows, based on past experience and future expectations of business performance particularly future development projects.

Discount rates

The pre-tax discount rate applied to the cash flow projections are derived from the Group's weighted average cost of capital. The discount rate applied is 6% (2014: 6%) reflecting the future expected cost of capital for the Group.

Growth rates

Due to the nature of the Group's development business growth rates are not relevant. The cash flow projections assume a 100% probability of receiving a level of development fees for contracted projects over the five years and make assumptions on the probability of achieving certain development performance fee criteria.

The business growth rates have been assumed to be 5% (2014: 5%) for the N Studio Limited interior design business.

Sensitivity analysis

The following percentage changes in assumptions would cause the recoverable amount to fall below the current carrying value:

- A 63.95% increase in the discount rate to 69.95% for the five year period
- A 25.7% decrease in the development revenue cash flows over the five year period
- A decrease to nil in the other interior design revenue cash flows over the five year period would not cause the recoverable amount to fall below the current carrying value.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

11. Property, plant and equipment

Group	Leasehold Improvements	Fittings and Office Equipment	Computer Equipment	Total
Cost	**£**	**£**	**£**	**£**
At 1st March 2014	1,115,434	73,426	257,406	1,446,266
Additions	-	594	23,229	23,823
At 31st December 2014	**1,115,434**	**74,020**	**280,635**	**1,470,089**
Additions	-	10,615	7,526	18,141
At 31st December 2015	**1,115,434**	**84,635**	**288,161**	**1,488,230**
Depreciation				
At 1st March 2014	350,281	56,187	217,059	623,527
Charge for the year	94,670	8,922	21,445	125,037
At 31st December 2014	**444,951**	**65,109**	**238,504**	**748,564**
Charge for the year	113,605	4,563	25,973	144,141
At 31st December 2015	**558,556**	**69,672**	**264,477**	**892,705**
Net book value				
At 31st December 2015	**556,878**	**14,963**	**23,684**	**595,525**
At 31st December 2014	**670,483**	**8,911**	**42,131**	**721,525**
At 28th February 2014	**765,153**	**17,239**	**40,347**	**822,739**

Company	Leasehold Improvements	Fittings and Office Equipment	Computer Equipment	Total
Cost	**£**	**£**	**£**	**£**
At 1st March 2014	1,173,914	-	-	1,173,914
Additions	-	-	-	-
At 31st December 2014	**1,173,914**	**-**	**-**	**1,173,914**
Additions	-	-	-	-
At 31st December 2015	**1,173,914**	**-**	**-**	**1,173,914**
Depreciation				
At 1st March 2014	350,281	-	-	350,281
Charge for the year	94,670	-	-	94,670
At 31st December 2014	**444,951**	**-**	**-**	**444,951**
Charge for the year	113,605	-	-	113,605
At 31st December 2015	**558,556**	**-**	**-**	**558,556**
Net book value				
At 31st December 2015	**615,358**	**-**	**-**	**615,358**
At 31st December 2014	**728,963**	**-**	**-**	**728,963**
At 28th February 2014	**823,633**	**-**	**-**	**823,633**

There were no assets held under finance lease or hire purchase contracts.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

12. Investments

(a) Available for sale financial assets

Group	31st Dec 2015	31st Dec 2015	31st Dec 2014	31st Dec 2014
	£	£	£	£
At 1st January 2015		10,000,019		8,824,659
Increase in 1 Palace Street fair value	-		1,175,360	
Net movement transferred to comprehensive income		-		1,175,360
At 31st December 2015		**10,000,019**		**10,000,019**
Net book value				
At 31st December 2015		**10,000,019**		**10,000,019**

(b) Other investments

Company	Subsidiary Undertakings	Other Investments	Total
Cost	£	£	£
At 1st January 2015	14,492,681	10,000,015	24,492,696
Additions	-	-	-
As at 31st December 2015	**14,492,681**	**10,000,015**	**24,492,696**
Impairment			
At 1st January 2015	6,486,368	-	6,486,368
Impairment in the year	-	-	-
As at 31st December 2015	**6,486,368**	**-**	**6,486,368**
Net book value as at 31st December 2015	**8,006,313**	**10,000,015**	**18,006,328**
Net book value as at 31st December 2014	**8,006,313**	**10,000,015**	**18,006,328**

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

12. Investments *(Continued)*

(b) Other Investments *(Continued)*

Company	Subsidiary Undertakings	Other Investments	Total
Cost	**£**	**£**	**£**
At 1st March 2014	14,492,681	8,824,655	23,317,336
Additions	-	1,175,360	1,175,360
As at 31st December 2014	**14,492,681**	**10,000,015**	**24,492,696**
Impairment			
At 1st March 2014	6,486,368	-	6,486,368
Impairment in the year	-	-	-
As at 31st December 2014	**6,486,368**	**-**	**6,486,368**
Net book value as at 31st December 2014	**8,006,313**	**10,000,015**	**18,006,328**
Net book value as at 28th February 2014	**8,006,313**	**8,824,655**	**16,830,968**

(c) Group Shareholdings

The Group has shareholdings in the following companies, all incorporated in England and Wales:

Subsidiary undertakings	Holding	Proportion held	Nature of Business
Waterloo Investments Limited	Ordinary shares	100%	Development management services
N Studio Limited	Ordinary shares	100%	Interior design
Northacre Development Management Services Limited	Ordinary shares	100%	Development management services
Nilsson Architects Limited	Ordinary shares	100%	Design architects
Northacre Capital (1) Limited	Ordinary shares	100%	Dormant
Northacre Capital (3) Limited	Ordinary shares	100%	Dormant
Northacre Capital (5) Limited	Ordinary shares	100%	Property development
Northacre Capital (7) Limited	Ordinary shares	100%	Property development
Northacre International Limited	Ordinary shares	100%	Dormant
Lancaster Gate (Hyde Park) Limited	Ordinary shares	100%	Property development

The holding in Lancaster Gate (Hyde Park) Limited is held by Northacre Capital (5) Limited.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

13. Inventories

	Group	
	31st Dec 2015	31st Dec 2014
	£	£
Stock	1,593	2,928
Work in progress	5,240,666	4,189,195
	5,242,259	**4,192,123**

The Company had no stock or work in progress in either the prior or current reporting period.

14. Trade and other receivables

	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Trade receivables	844,811	31,568	6,045	-
Amounts owed by group undertakings	-	-	5,962,376	8,567,254
Other receivables	200,242	220,038	111,270	110,908
Prepayments and accrued income	1,071,438	535,604	311,422	321,056
	2,116,491	**787,210**	**6,391,113**	**8,999,218**

At the period end there was no provision for doubtful debts (2014: £nil). Other receivables include a deferred tax asset of £117,463 (2014: £126,673).

15. Trade and other payables

	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Trade payables	170,547	67,555	49,216	34,720
Amounts owed to group undertakings	-	-	1,141,545	1,141,065
Social security and other taxes	146,204	199,440	16,544	130,186
Other payables	3,266	2,064	291	1,589
Accruals and deferred income	1,282,055	569,325	519,375	268,513
	1,602,072	**838,384**	**1,726,971**	**1,576,073**

16. Borrowings, including lease finance

Current Liabilities	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Bank loan	2,350,000	1,000,000	-	-
	2,350,000	1,000,000	-	-

A loan facility of £3,150,000 was made available by the Royal Bank of Scotland from the 19th September 2014 to Northacre Capital (7) Limited in respect of the property at 22 Prince Edward Mansions. The loan is available on a drawdown basis and as at 31st December 2015 £2,350,000 (2014: £1,000,000) was drawn. The loan incurs interest at 3.25% above the LIBOR rate and is charged quarterly and as at 31st December 2015 £94,941 (2014: £42,292) was accrued. The loan is due to be repaid at the earlier of the latest expiry date of the current interest period outstanding as at the date of completion of sale of the property or the date which falls 18 months after the date on which the loan is drawn. The loan is expected to be repaid in full prior to the end of the next financial year. The loan is secured via a first legal charge over the property included within inventories under the heading of work in progress, a guarantee for £120,000 given by Northacre PLC and a charge over certain cash balances. In accordance with the loan agreement further drawdowns are not permitted post 31 December 2015.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

17. Corporation tax

	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Corporation Tax	-	-	-	-
	-	-	-	-

18. Future financial commitments

Operating leases – Land and Buildings	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Net amount payable on operating leases which expire:				
Within one year	125,062	125,062	125,062	125,062
In two to five years	500,248	500,248	500,248	500,248
In over five years	49,682	174,744	49,682	174,744
	674,992	**800,054**	**674,992**	**800,054**

Operating leases – Other	Group		Company	
	31st Dec 2015	31st Dec 2014	31st Dec 2015	31st Dec 2014
	£	£	£	£
Net amount payable on operating leases which expire:				
Within one year	15,080	29,148	11,420	12,920
In two to five years	46,609	7,042	42,825	6,460
In over five years	-	-	-	-
	61,689	**36,190**	**54,245**	**19,380**

19. Capital commitments

At the reporting date there were no outstanding commitments for capital expenditure.

20. Earnings per share

Loss per share of 2.75p (2014 profit: 0.62p) is calculated on the loss attributable to Ordinary shares of £1,156,342 (2014 profit: £264,237) divided by the weighted number of Ordinary shares in issue during the year.

Computation of basic earnings per share:	31st Dec 2015	31st Dec 2014
Net (loss)/profit	(£1,165,552)	£264,237
Weighted average number of shares outstanding	42,335,538	42,335,538
Basic (loss)/profit per share	(2.75p)	0.62p
Diluted (loss)/profit per share	(2.75p)	0.62p

There were no potentially dilutive instruments in issue during the current or preceding period. All amounts shown relate to continuing operations.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

21. Equity

Share capital	31st Dec 2015	31st Dec 2014
	£	£
Called up, allotted and fully paid:		
42,335,538 (2014: 42,335,538) Ordinary shares of 2.5p each	1,058,388	1,058,388
	1,058,388	**1,058,388**

Share premium account and reserves	Share premium
	£
At 1st January 2015 and 31st December 2015	**22,565,287**

The share premium account represents the incremental paid up capital above the nominal value of the Ordinary shares of 2.5p issued.

22. Dividends

	31st Dec 2015	31st Dec 2014
	£	£
A special dividend paid during the period of £nil (2014: 35.43p)	-	14,999,481
	-	14,999,481

No dividends have been declared prior to the approval of these financial statements and the Board will continue to actively consider the payment of dividends.

23. 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).

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

24. Related party transactions

Group

The Group's related parties as defined by International Accounting Standard 24 (revised), the nature of the relationship and the amount of transactions with them during the period were as follows:

		Year ended 31st Dec 2015		10 months ended 31st Dec 2014		
Related Party	**Nature of Relationship**	**£**	**£**	**£**	**£**	**Nature of Transactions**
		Total transactions in the year	**Balance at the year end** Due (to)/from	**Total transactions in the period**	**Balance at the period end** Due (to)/from	
K. Nilsson	1	-	-	100,050	-	Consultancy fees for services provided for the 1 Palace Street project for the period March 2014 to December 2014. The consultancy fees were invoiced to Palace Revive Development Limited and paid by that company in the year ended 31 December 2015.
E.B. Harris	2	30,000	(55,000)	25,000	(25,000)	Non-executive Directors' fees for the year to 31 December 2015 provided through E.C. Harris LLP.
A. de Rothschild	3	-	(17,500)	-	(17,500)	Non-executive Directors' fees for the period July 2013 to February 2014.
ADCM Limited	4	1,200,000	-	1,042,466	-	Consultancy fees charged for the year to 31 December 2015 with £1,200,000 being paid in the year.
ADCM Limited	4	52,282	46,882	63,310	1,882	Expenses charged by ADCM Limited as per the consultancy agreement. £46,882 represents a credit from ADCM Limited outstanding at the year end.
Palace Revive Development Limited	5	2,028,749	617,287	2,254,170	-	Development management fees invoiced for the year to 31 December 2015 as per the development management agreement. £617,287 represents the fee payable for the period January 2016 to March 2016 and was paid post year end.
Palace Revive Development Limited	5	248,306	-	-	-	Sales agency fees charged in the year ended 31 December 2015 as per multiple selling agents agreements.
Palace Revive Development Limited	5	159,136	-	166,317	-	Expenses paid on behalf of Palace Revive Development Limited.
Palace Real Estate Partners LP	6	-	10,000,000	1,175,360	10,000,000	Amount invested by Northacre PLC into Palace Real Estate Partners LP to develop the 1 Palace Street project.

Nature of Relationships

1. K.B. Nilsson is a Director of the Company.
2. E.B. Harris is a Director of the Company, and a member of E.C. Harris LLP.
3. A. de Rothschild was a Director of the Company (resigned on 11th February 2014)
4. ADCM Limited is a fully owned subsidiary of ADFG LLC, the Group's ultimate parent company.
5. Palace Revive Development Limited is a company set up to develop the 1 Palace Street Development and is controlled by ADCM Limited.
6. Palace Real Estate Partners LP is a partnership that ultimately controls Palace Revive Development Limited. Northacre PLC is a limited member of Palace Real Estate Partners LP.

Notes to the Consolidated Financial Statements

For the year ended 31st December 2015 *(Continued)*

24. Related party transactions *(Continued)*

Company

The Directors' transactions in the Company are included in the Group disclosure above. In addition to these, the Company has the following related party transactions as defined by International Accounting Standard 24 (revised).

		Year ended 31st Dec 2015		10 months ended 31st Dec 2014		
Related Party	**Nature of Relationship**	**£**	**£**	**£**	**£**	**Nature of Transactions**
		Total transactions in the year	**Balance at the year end**	**Total transactions in the period**	**Balance at the period end**	
Group entities	1	266,248	-	216,712	-	Management fees receivable in the year from Group subsidiaries provided at arm's length.
Group entities	1	(38,901)	-	(42,655)	-	Management fees payable in the year to Group subsidiaries provided at arm's length.

Nature of Relationships

1. The Group entities are wholly owned subsidiaries of the Company.

The balances at the reporting date are shown under notes 14 and 15 of the Consolidated Financial Statements.

25. Immediate and ultimate parent undertakings

The immediate and ultimate parent undertakings are Spadille Limited, a company incorporated in Jersey, and Abu Dhabi Financial Group LLC, a company incorporated in United Arab Emirates, respectively.

(Registered in England and Wales with Company number 03442280)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "**Meeting**" or "**AGM**") of Northacre PLC (the "**Company**") will be held at Northacre PLC, 8 Albion Riverside, 8 Hester Road, London SW11 4AX on 9th June 2016 at 10.00am for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass Resolutions 1 to 5 as ordinary resolutions.

1. To receive the Company's audited accounts for the financial year ended 31st December 2015 and the Strategic Report, Directors' Report and Auditors' Report on those accounts.
2. To elect Mr. Fawad Khan as a Director of the Company.
3. To re-elect Mr. Mustafa Kheriba as a Director of the Company.
4. To re-appoint Kingston Smith LLP as auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
5. To authorise the Directors to determine the remuneration of the auditor.

By Order Of The Board

Capita Company Secretarial Services Limited
Corporate Secretary
Date: 29th April 2016

Registered Office:
Northacre PLC
8 Albion Riverside
8 Hester Road
London
SW11 4AX

Notes

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at:

   - 6.00pm on 7th June 2016; or,
   - if this Meeting is adjourned, at 6.00pm on the day which is two days prior to the adjourned meeting,

   shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which each proxy is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy form is one of multiple instructions being given by you. All forms must be signed and should be returned together in the same envelope.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of a proxy using a hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

   To appoint a proxy using the proxy form, the form must be:-

   - completed and signed;
   - sent or delivered to Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; and
   - received at the above address no later than 10.00am on 7th June 2016.

   In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

   Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxies through CREST

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from https://www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent ID RA10 by 10.00am on 7th June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of a proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

   Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services on 0871 664 0300 (calls cost 10p per minute plus network extras; lines are open 8.30am to 5.30pm, Monday to Friday, excluding UK public holidays).

   If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars, Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

    The revocation notice must be received by Capita Asset Services no later than 10.00am on 7th June 2016.

    If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

    Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member, provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

12. As at 28 April 2016 the Company's issued share capital comprised 42,335,538 ordinary shares of 2.5p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 28 April 2016 is 42,335,538.

Communication

13. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

    - Calling our shareholder helpline on 0871 664 0300 (calls cost 10 pence per minute plus network extras). Lines are open 8.30am to 5.30pm, Monday to Friday, excluding UK public holidays (from outside the UK: +44 (0) 20 3728 5000); or

    You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Northacre PLC

8 Albion Riverside,
8 Hester Road, London SW11 4AX

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