NORTHACRE

LONDON

Northacre PLC – Report and Accounts

31st December 2014

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Chester Square – Reception


Chester Square – Bedroom

Chairman's Statement

There is the inevitable pause in the London housing market as many potential purchasers await the outcome of the 2015 election. Irrespective of the results of the election, we do not believe that there will be a radical change in the market perception of London as the number one city in the world, a destination for ultra-high net worth individuals. The London residential market has historically adjusted itself and absorbed the various changes brought about by different governments.

The housing debate is steadily rising up the UK political agenda, and will continue to be a key issue. The construction of new homes at an affordable level will be at the forefront of future government programmes, and is likely to affect the attitude of the planning authorities towards the development of private housing for sale at the upper end of the market. The current re-focusing of the market towards the private rented sector could, however, open up further opportunities for companies prepared to invest in well-conceived and properly governed models for rental housing at both ends of the scale.

Klas Nilsson
Non-Executive Chairman

Date: 30th April 2015

Vicarage Gate House – Reception

Chester Square – Spa

Chief Executive's Statement

The last ten months have seen Northacre PLC make good progress across all of our developments. We have also strategically rebranded our interior design business which is now called "N Studio", which signifies a more sophisticated approach intended to reflect and capture the increasingly discerning taste of high net worth individuals and our target market.

Current developments

1 Palace Street

We have been making steady progress throughout the period and every milestone has been achieved in accordance with our programme. On 11th November 2014 we received planning consent for our revised scheme and by 30th November 2014 we were already onsite starting the strip-out and demolition phase.

Vicarage Gate House

The complications we have encountered with the windows have escalated and this has caused delay to our practical completion date which has now been moved to mid-October 2015. The vast majority of the windows have now been installed hence the rest of the fit-out can move forward at a much faster pace.

In respect of sales throughout the period, we have exchanged on five units. We are seeing more appetite from buyers as they can now get a much better feel for the development and the overall quality we are producing.

33 Thurloe Square

As highlighted in my statement last year, prior to starting the redevelopment of this site we received an unsolicited bid of £12.75m representing a significant premium to the market value of similar properties in similar condition. The transaction was completed on 25th June 2014 and resulted in a net IRR of over 30% to our investors and a substantial return for Northacre PLC in terms of development management fees, performance fee and return on our invested equity.

13 & 14 Vicarage Gate

The last few months have seen significant progress onsite. All the structural alterations have been completed and the partition walls are mostly in place. We are expecting to have practical completion by January 2016.

On the sales front we will do a soft launch in June 2015 which will then become more proactive once the show apartment is ready at the end of August 2015.

Chester Square (with mews at the rear)

We have received planning approval for the creation of a basement and also to interconnect the two properties. The basement contractor has been selected and will be onsite as soon as all the preconditions have been discharged. The project is progressing as planned.

22 Prince Edward Mansions

On 1st August 2014 we announced the completion of the acquisition of 22 Prince Edward Mansions by Northacre Capital (7) Limited, a wholly owned subsidiary of Northacre PLC. The unit was purchased in keeping with our new strategy for N Studio Limited, and for the purpose of refurbishment and resale.

We are currently onsite and expect to reach practical completion by the end of 2015.

The Lancasters

The freehold interest in the property has now been transferred to the residents. We are in the process of finalising the last outstanding item which we hope to complete by the end of summer 2015.

Outlook

As a result of the upcoming general election in May 2015 the market in general has been quiet as expected. Nevertheless, it has been interesting to see that the market has become more selective and has been rewarding premium properties which satisfy all the requirements of buyers. On the other hand less impressive properties have struggled to sell. We believe that this trend will continue as buyers become more selective.

At Northacre, our differentiating value-add is the quality of our work and attention to detail which places our final product ahead of the crowd. We hope to continue to see ourselves as market leaders in the coming years.

Niccolò Barattieri di San Pietro
CEO

Date: 30th April 2015

1 Palace Street

Vicarage Gate House

33 Thurloe Square

13 & 14 Vicarage Gate

Chester Square

22 Prince Edward Mansions

Financial Review

In the period under review our development management team was engaged on various projects including Vicarage Gate House, 1 Palace Street, 33 Thurloe Square, 13 & 14 Vicarage Gate and Chester Square. Increased activity on all of these projects was reflected in the results for the period to 31st December 2014.

Consolidated Income Statement

Group revenue for the period increased to £3.9m (28th February 2014: £3.0m), which reflected increased activity on the project development side of the business and a lower level of activity in N Studio Limited, the Group's interior design business. Development management fee income increased to £3.6m (28th February 2014: £1.0m) while N Studio's revenue fell by 89% to £0.2m (28th February 2014: £2.0m). Between October 2014 and February 2015 N Studio Limited rebranded and we expect increased activity in the coming years.

Administrative expenses decreased to £4.4m (28th February 2014: £4.9m) reflecting the shorter 10 months financial period.

On 25th June 2014 the Group announced the sale of the 33 Thurloe Square project. Under the terms of the Development Management Agreement Northacre PLC was entitled to development management and performance fees which are included in the revenue above. The Group was also entitled to a return on the invested equity of £1.5m and dividends received of £0.4m (28th February 2014: The Lancasters dividends £15.0m) are recognised as investment revenue in the Consolidated Income Statement.

The Group reported a loss before tax of £1,858 (28th February 2014: profit before tax £12.3m).

Consolidated Statement of Financial Position

As at 31st December 2014 the Group had cash and cash equivalents of £2.5m (28th February 2014: £21.2m). The decrease in cash held was primarily due to dividends paid of £15.0m, the additional investment of £1.2m in available for sale financial assets being the 1 Palace Street Development and the £4.2m purchase and associated development costs of 22 Prince Edward Mansions.

Financing

On 19th September 2014 a loan facility of £3.2m was made available by the Royal Bank of Scotland in respect of the property at 22 Prince Edward Mansions. The loan is available on a drawdown basis and incurs interest at 3.25% above the LIBOR rate. The loan is due to be repaid 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. As at 31st December 2014 £1.0m was drawn. The loan is expected to be repaid in full prior to the end of the next financial year.

In the next financial year, the Group will focus on progressing and completing current projects while looking for new exciting opportunities.

Kasia Maciborska-Singh
Group Financial Controller

Date: 30th April 2015

Vicarage Gate House – Reception

Vicarage Gate House – Concierge

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).

Jassim Alseddiqi
Executive Director

Jassim Alseddiqi is the Chief Executive Officer of Abu Dhabi Financial Group LLC (ADFG) (formerly Abu Dhabi Capital Management LLC). Jassim is also the Chairman of Intergrated Capital, and a board member at Abu Dhabi Capital Group, Emirates Buildings Establishment, Qannas Investments Limited, and Northacre PLC. Preceding his tenure in the investment world, he was a noted lecturer at the Abu Dhabi-based Petroleum Institute. Jassim holds a Bachelor of Science in Electrical Engineering from the University of Wisconsin-Madison, and earned his Master's of Science degree in Electrical Engineering from Cornell University in the United States. He also has several publications in international engineering journals.

Mustafa Kheriba
Executive Director

Mustafa Kheriba is the Chief Operating Officer of ADFG and is directly responsible for the day to day operations and financials of ADFG and its 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.

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)
J. Alseddiqi
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 10 months ended 31st December 2014

The Directors present their Strategic Report for the 10 month period ended 31st December 2014.

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 period are set out in the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income on pages 16 and 17.

Net assets per share is 57.59 pence (28th February 2014: 92.39 pence). Net loss for the period before fair value recognition movements and taxation is £1,858 (28th February 2014 net profit: £12.3m) with a profit per share after taxation of 0.62 pence (28th February 2014: 39.51 pence).

Consolidated Income Statement

The Group's revenue for the period is £3.9m (28th February 2014: £3.0m) and in the current year represents fee income rather than development income. Operating loss for the period is £0.5m (28th February 2014: £3.2 m). Administrative expenses for the period decreased to £4.4m (28th February 2014: £4.9m). Investment revenue of £0.5m (28th February 2014: £15.0m) represents dividends received from the 33 Thurloe Square Development (28th February 2014: dividends received from The Lancasters Development). After including the above items the Group recorded a loss before fair value recognition movements and taxation of £1,858 (28th February 2014 profit: £12.3m).

Consolidated Statement of Comprehensive Income

Based on the Group's accounting policy, other comprehensive income or loss represents changes in the fair value of available for sale financial assets.

The movement in the available for sale financial assets consisted of the change in value in the investment in the 1 Palace Street Development and represented the additional investment in the period.

The Other Comprehensive Income reported for the period was £nil (28th February 2014: £15.0m). The other comprehensive loss in the year ended 28th February 2014 arose primarily as a result of the final dividends received in respect of The Lancasters Development (which is now fully complete), being recognised in the income statement.

Consolidated Statement of Financial Position

The investment in available for sale financial assets at the beginning and at the end of the period 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.

The Lancasters Development dividends

Following completion of The Lancasters Development no further dividends were received or expected in the period under review (28th February 2014: £15.0m).

33 Thurloe Square dividends

In the period under review, the Group received total dividends of £0.43m (28th February 2014: £nil) from the 33 Thurloe Square Development and these were reported within investment revenue in the Consolidated Income Statement.

Financing

In December 2013 the Group raised £12.5m (before expenses) by way of an Open Offer and Cash Box Acquisition. The proceeds were invested in equity in the 1 Palace Street Development and 33 Thurloe Square Development and financed the acquisition of 22 Prince Edward Mansions.

In the period under review, 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 £1.0m had been drawn at 31st December 2014.

Strategic Report

For the 10 months ended 31st December 2014 *(Continued)*

The Group had cash of £2.5m at 31st December 2014 (28th February 2014: £21.2m), with debt of £1.0m (28th February 2014: £nil) and the Group has not drawndown any further loan facility since the period 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 period 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.

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. A potential adverse change is the mansion tax which is only a proposal in the United Kingdom, but has proved very controversial and has received widespread media coverage. At present, the most commonly cited trigger point would be a property value of £2.0 million, with the annual tax only being payable on the value over that. The introduction of the 'Google Tax' on 1st April 2015 may have implications for the Group which management are currently assessing.

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 secured a loan facility of up to £3.2m and 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: 30th April 2015

Directors' Report

For the 10 months ended 31st December 2014

The Directors have pleasure in presenting their Directors' Report and Group financial statements for the 10 month period ended 31st December 2014.

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

On 14th August 2014 the Group announced that the Directors of Northacre PLC recommended a payment of a special dividend of 35.43p per Ordinary share which was paid on 5th September 2014.

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 period 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 2014	At 28th February 2014	% of Ordinary Shares
K.B. Nilsson	-	-	-
E.B. Harris	-	-	-
J. Alseddiqi	-	-	-
M. Kheriba	-	-	-
N. Barattieri di San Pietro	-	-	-

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.

Substantial shareholdings

As at 8th April 2015, the following held 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.

Directors' Report

For the 10 months ended 31st December 2014 *(Continued)*

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 2012. 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 directions 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 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 and the QCA Guidelines, 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 by the appropriate personnel in the Group.

Directors' Report

For the 10 months ended 31st December 2014 *(Continued)*

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 mis-statement 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: 30th April 2015

Independent Auditors' Report to the Shareholders of Northacre Plc

For the 10 months ended 31st December 2014

We have audited the Group and Parent Company financial statements of Northacre PLC for the ten month period ended 31st December 2014, 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 14) 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 Chairman's Statement, Chief Executive's Statement, Financial Review, 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 2014 and of the Group's profit for the period 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: 30th April 2015

Consolidated Income Statement

For the 10 months ended 31st December 2014

Group	Note	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Group revenue	3	3,856,841	2,955,797
Cost of sales		25,092	(1,294,225)
Gross profit		3,881,933	1,661,572
Administrative expenses		(4,377,515)	(4,868,726)
Group loss from operations		(495,582)	(3,207,154)
Investment revenue	4	493,727	15,063,052
Profit on disposal of available for sale financial asset	5	-	111,213
Other gains	6	-	336,264
Finance costs	7	(3)	(100)
(Loss)/Profit for the year before taxation	8	(1,858)	12,303,275
Taxation	10	266,095	(102,993)
Profit for the year attributable to equity holders of the Company		**264,237**	**12,200,282**
Profit per ordinary share			
Basic – Continuing and total operations	22	0.62p	39.51p
Diluted – Continuing and total operations	22	0.62p	39.51p
Company			
Profit for the year attributable to equity holders of the Company		**5,402,344**	**44,703,358**

Consolidated Statement of Comprehensive Income

For the 10 months ended 31st December 2014

Group	Note	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Profit for the period attributable to equity holders of the Company		264,237	12,200,282
Other comprehensive loss: Changes in fair value of available for sale financial assets	14(a)	-	(15,000,000)
Total comprehensive income/(loss) for the period		**264,237**	**(2,799,718)**
Company			
Profit for the period attributable to equity holders of the Company		5,402,344	44,703,358
Other comprehensive income		-	-
Total comprehensive profit for the period	11	**5,402,344**	**44,703,358**

Consolidated Statement of Financial Position

As at 31st December 2014

	Note	31st Dec 2014 £	28th Feb 2014 £
Non-current assets			
Goodwill	12	8,007,417	8,007,417
Property, plant and equipment	13	721,525	822,739
Available for sale financial assets	14(a)	10,000,019	8,824,659
		18,728,961	17,654,815
Current assets			
Inventories	15	4,192,123	168,559
Trade and other receivables	16	787,210	6,667,711
Cash and cash equivalents		2,510,305	21,239,909
		7,489,638	28,076,179
Total assets		**26,218,599**	**45,730,994**
Current liabilities			
Trade and other payables	17	838,384	6,615,535
Borrowings, including lease finance	18	1,000,000	-
		1,838,384	6,615,535
Non-current liabilities			
Borrowings, including lease finance		-	-
		-	-
Total liabilities		1,838,384	6,615,535
Equity			
Share capital	23	1,058,388	1,058,388
Share premium account	23	22,565,286	22,565,286
Merger reserve	23	-	8,086,293
Retained earnings		756,541	7,405,492
Total equity		24,380,215	39,115,459
Total equity and liabilities		**26,218,599**	**45,730,994**

Approved by the Board on 30th April 2015

N. Barattieri di San Pietro
Director

Company registration no. 03442280

Company Statement of Financial Position

As at 31st December 2014

	Note	31st Dec 2014 £	28th Feb 2014 £
Non-current assets			
Property, plant and equipment	13	728,963	823,633
Investments	14(b)	18,006,328	16,830,968
		18,735,291	17,654,601
Current assets			
Trade and other receivables	16	8,999,218	10,110,093
Cash and cash equivalents		1,036,842	18,808,382
		10,036,060	28,918,475
Total assets		**28,771,351**	**46,573,076**
Current liabilities			
Trade and other payables	17	1,576,073	9,780,661
Borrowings, including lease finance	18	-	-
		1,576,073	9,780,661
Non-current liabilities			
Borrowings, including lease finance		-	-
		-	-
Total liabilities		1,576,073	9,780,661
Equity			
Share capital	23	1,058,388	1,058,388
Share premium account	23	22,565,286	22,565,286
Merger reserve	23	-	8,086,293
Retained earnings		3,571,604	5,082,448
Total equity		27,195,278	36,792,415
Total equity and liabilities		**28,771,351**	**46,573,076**

Approved by the Board on 30th April 2015

N. Barattieri di San Pietro
Director

Company registration no. 03442280

Consolidated and Company Statements of Cash Flows

For the 10 months ended 31st December 2014

	Group		Company	
	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Cash flows from operating activities				
(Loss)/profit for the period before tax	(1,858)	12,303,275	5,350,239	44,227,761
Adjustments for:				
Investment revenue	(493,727)	(15,063,052)	(7,763,727)	(42,756,665)
Finance costs	3	100	-	-
Loss on disposal of investments	-	1,108	-	1,108
Goodwill on acquisition less stamp duty paid	-	(368,287)	-	-
Profit on sale of available for sale financial assets	-	(111,213)	-	-
Fair value adjustment	-	(7,148,575)	-	-
Depreciation and amortisation	125,037	148,181	94,670	113,604
Increase in inventories	(4,023,564)	(13,748)	-	-
Decrease/(increase) in trade and other receivables	5,893,986	(4,834,599)	326,464	(8,849,164)
(Decrease)/increase in trade and other payables	(5,790,636)	5,350,579	(8,166,245)	(21,055,109)
Cash used in operations	(4,290,759)	(9,736,231)	(10,158,599)	(28,318,465)
Interest paid	(3)	(100)	-	-
Corporation tax - consortium relief refunded	266,095	3,292,776	798,173	2,375,362
Net cash used in operating activities	(4,024,667)	(6,443,555)	(9,360,426)	(25,943,103)
Cash flows from investing activities				
Purchase of property, plant & equipment	(23,823)	(51,691)	-	-
Increase in available for sale financial assets/investments	(1,175,360)	(8,824,655)	(1,175,360)	(8,824,655)
Acquisition of subsidiary, net of cash acquired	-	10,502,191	-	-
Interest received	64,854	63,052	64,854	49,606
Dividends received	428,873	15,000,000	7,698,873	42,707,059
Net cash (used in)/generated from investing activities	(705,456)	16,688,897	6,588,367	33,932,010
Cash flows from financing activities				
Proceeds from issue of shares	-	12,489,516	-	12,489,516
Proceeds from borrowings	1,000,000	-	-	-
Repayment of borrowings	-	-	-	-
Repayment of finance leases	-	-	-	-
Dividends paid	(14,999,481)	(10,689,457)	(14,999,481)	(10,689,457)
Net cash (used in)/generated from financing activities	(13,999,481)	1,800,059	(14,999,481)	1,800,059
(Decrease)/increase in cash and cash equivalents	(18,729,604)	12,045,401	(17,771,540)	9,788,966
Cash and cash equivalents at the beginning of the period	21,239,909	9,194,508	18,808,382	9,019,416
Cash and cash equivalents at the end of the year	**2,510,305**	**21,239,909**	**1,036,842**	**18,808,382**

Consolidated and Company Statements of Changes in Equity

For the 10 months ended 31st December 2014

Group	**Called Up Share Capital**	**Share Premium Account**	**Merger Reserve**	**Retained Earnings**	**Total**
	£	**£**	**£**	**£**	**£**
As at 1st March 2013	668,091	18,552,361	-	20,894,667	40,115,119
Profit for the period	-	-	-	12,200,282	12,200,282
Other comprehensive loss for the period:					
Changes in fair value of available for sale financial assets	-	-	-	(15,000,000)	(15,000,000)
Transactions with owners of the Company:					
Issue of Ordinary shares	390,297	4,012,925	8,086,293	-	12,489,515
Dividends	-	-	-	(10,689,457)	(10,689,457)
As at 28th February 2014	**1,058,388**	**22,565,286**	**8,086,293**	**7,405,492**	**39,115,459**
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**

Company	**Called Up Share Capital**	**Share Premium Account**	**Merger Reserve**	**Retained Earnings**	**Total**
	£	**£**	**£**	**£**	**£**
As at 1st March 2013	668,091	18,552,361	-	(28,931,453)	(9,711,001)
Total comprehensive profit for the period	-	-	-	44,703,358	44,703,358
Transactions with owners of the Company:					
Issue of Ordinary shares	390,297	4,012,925	8,086,293	-	12,489,515
Dividends	-	-	-	(10,689,457)	(10,689,457)
As at 28th February 2014	**1,058,388**	**22,565,286**	**8,086,293**	**5,082,448**	**36,792,415**
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**

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014

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 have 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 period ended 31st December 2014 are thus not entirely comparable to the comparative amounts.

During the period ended 31st December 2014 the Group adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IFRS10, IFRS11, IFRS12, IFRS13 and IAS1. 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 2015, but are not currently considered to be relevant to the Group (although they may affect the accounting for future transactions and events):

- IFRS 9, 'Financial Instruments', issued in November 2009 and effective from 1st January 2015. IFRS 9 represents the first phase of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. It sets out the classification and measurement criteria for financial assets and liabilities and requires all financial assets, including assets currently classified under IAS 39 as available for sale, to be measured at fair value through profit and loss unless the assets can be classified as held at amortised cost. Qualifying equity investments held at fair value may have their fair value changes taken through other comprehensive income by election.
- IAS 19 (Revised), 'Employee Benefits' effective for periods beginning on or after 1st July 2014. These amendments are intended to provide a clearer indication of an entity's obligations resulting from the provision of defined benefit pension plan and how those obligations will affect its financial position, financial performance and cash flow.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1st January 2015 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 the second and third phases 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 2017 but not yet adopted by the EU. This standard replaces IAS18, 'Revenue Recognition' and revenue recognition standards under US GAAP and aims to unify revenue recognition under IFRS and US GAAP. The standard focuses on entitlement to consideration as opposed to percentage completion under existing IFRS and introduces a five step approach to recognising income.

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 and Chester Square and also through the bank loan.

The Directors have prepared detailed cash flow projections for the period ending 31st December 2019 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.

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

1. Principal Accounting Policies *(continued)*

Significant judgements and estimates of areas of uncertainty

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

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.

1. Principal Accounting Policies *(continued)*

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.

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.

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

1. Principal Accounting Policies *(continued)*

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 profit.

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.

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 10 months ended 31st December 2014 *(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	**10 months ended 31st Dec 2014 £**	**12 months ended 28th Feb 2014 £**
Principal activities:		
Development management	3,554,800	900,705
Interior design	214,541	1,991,837
Architectural design	87,500	63,255
	3,856,841	**2,955,797**

(Loss)/profit before taxation	**10 months ended 31st Dec 2014 £**	**12 months ended 28th Feb 2014 £**
Development management	505,910	12,364,592
Interior design	(585,943)	(105,086)
Architectural design	78,175	43,769
	(1,858)	**12,303,275**

Assets	**31st Dec 2014 £**	**28th Feb 2014 £**
Development management	26,017,628	45,138,754
Interior design	86,839	454,183
Architectural design	114,132	138,057
	26,218,599	**45,730,994**

Liabilities	**31st Dec 2014 £**	**28th Feb 2014 £**
Development management	365,962	5,259,612
Interior design	769,522	550,923
Architectural design	702,900	805,000
	1,838,384	**6,615,535**

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

Revenue	**10 months ended 31st Dec 2014 £**	**12 months ended 28th Feb 2014 £**
United Kingdom	3,880,379	2,536,571
Saudi Arabia	(23,538)	396,162
USA	-	23,064
	3,856,841	**2,955,797**

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

	10 months ended 31st Dec 2014 £	**12 months ended 28th Feb 2014 £**
Customer A (Interior design)	(23,538)	396,162
Customer B (Development management)	642,486	-
Customer C (Interior design)	-	707,113
Customer D (Development management & interior design)	438,462	326,669
Customer E (Interior design)	-	422,206
Customer F (Development management)	2,420,487	509,783

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

3. Segmental information *(continued)*

Assets	31st Dec 2014 £	28th Feb 2014 £
United Kingdom	26,218,599	45,618,042
Saudi Arabia	-	112,952
	26,218,599	**45,730,994**

Liabilities	31st Dec 2014 £	28th Feb 2014 £
United Kingdom	1,838,384	6,544,924
Saudi Arabia	-	70,611
	1,838,384	**6,615,535**

4. Investment revenue

	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Interest received	64,854	63,052
Dividends received	428,873	15,000,000
	493,727	**15,063,052**

5. Profit on disposal of available for sale financial assets

	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Derecognition of available for sale financial assets	-	(7,148,575)
Change in fair value of available for sale financial assets previously recognised in Other Comprehensive Income	-	7,259,788
	-	**111,213**

The profit on disposal of available for sale financial assets arose following the acquisition of Lancaster Gate (Hyde Park) Limited on 16th December 2013. The loss of £7.1m represented all gains recognised and booked to Other Comprehensive Income up to the time of derecognition of available for sale financial assets, as these gains are required to be transferred to the Consolidated Income Statement after the available for sale financial assets have been sold.

6. Other gains

	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Written off share capital of dissolved dormant Group's subsidiaries	-	(1,108)
Negative goodwill arising on acquisition of Lancaster Gate (Hyde Park) Limited	-	337,372
	-	**336,264**

7. Finance costs

Interest on:	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Overdue tax	3	-
Tax penalties	-	100
	3	**100**

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

8. (Loss)/Profit before taxation

	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
(Loss)/Profit before taxation is stated after charging:		
Depreciation and amounts written off property, plant and equipment:		
Owned assets	125,037	148,181
Operating lease rentals:		
Land and buildings	104,969	125,062
Foreign exchange loss	-	41
Fees payable to the Company's auditors for:		
- the audit of the Company's annual accounts	55,857	44,446
Fees payable to the Company's auditors for other services to the Group:		
- the audit of the Company's subsidiaries	33,600	42,828
Total audit fees	**89,457**	**87,274**
Fees payable to the Company's auditors for:		
- taxation compliance services	-	10,537
- other taxation advisory services	5,000	4,000
- other services	16,762	31,158
Total other fees	**21,762**	**45,695**

9. Employees

	10 months ended 31st Dec 2014 Number	12 months ended 28th Feb 2014 Number
The average weekly number of employees (including Directors) during the year was:		
Office and management	12	12
Design and management	12	11
	24	**23**

	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Staff costs for the above employees:		
Wages and salaries	1,691,496	1,821,228
Social security costs	184,657	62,702
Other pension costs – money purchase schemes	65,344	74,068
	1,941,497	**1,957,998**

Remuneration in respect of Directors was as follows:	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Aggregate emoluments (including benefits in kind)	475,000	655,264
Consultancy fees	100,050	57,150
Other fees	25,000	40,000
	600,050	**752,414**
Company contribution to money purchase pension schemes	**27,500**	**23,354**

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

9. Employees *(Continued)*

Remuneration for each Director (including benefits in kind)	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
M. Kheriba	-	-
J. Alseddiqi	-	-
N. Barattieri di San Pietro	416,667	213,000
K.B. Nilsson	158,383	127,150
E.B. Harris	25,000	30,000
M.F. Williams (resigned 27th March 2013)	-	10,000
K. MacRae (resigned 19th June 2013)	-	344,764
M.A. AlRafi (resigned 25th June 2013)	-	10,000
A. de Rothschild (resigned 11th February 2014)	-	17,500
	600,050	**752,414**

Remuneration of £25,000 (28th February 2014: £30,000) for Director E.B. Harris is payable to EC Harris LLP.

Remuneration in respect of the highest paid Director was as follows:	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Aggregate emoluments (including benefits in kind)	416,667	344,764
Company contribution to money purchase pension scheme	27,500	6,854
	444,167	**351,618**

The total emoluments of £416,667 (28th February 2014: £344,764) above includes compensation for loss of office of £nil (28th February 2014: £251,500) and bonus of £187,500 (28th February 2014: £nil). The Directors consider that the key management personnel for reporting purposes as defined by International Accounting Standard 24 (revised) 'Related Party Disclosures' are the Directors themselves only.

10. Taxation

(a) Analysis of charge in period	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
Current tax:		
Corporation tax credit	-	-
Adjustment in respect of prior periods	(347,727)	311,298
Total current tax	**(347,727)**	**311,298**
Deferred tax:		
Deferred tax charge/(credit)	81,632	(208,305)
Total deferred tax charge/(credit)	**81,632**	**(208,305)**
Total tax (credit)/charge	**(266,095)**	**102,993**

(b) Factors affecting the tax charge for the period The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:	10 months ended 31st Dec 2014 £	12 months ended 28th Feb 2014 £
(Loss)/Profit on ordinary activities before tax	**(1,858)**	**12,303,275**
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax of 21% (2014: 23%)	(390)	2,829,753
Effects of:		
Expenses not deductible for tax purposes	2,339	19,851
Depreciation for the period in excess of capital allowances	26,258	18,919
Dividends and distributions received	(90,063)	(3,450,000)
Utilisation of tax losses	(314,450)	666,704
Other timing differences	(103,709)	(328,727)
Loss carried forward	480,015	243,500
Consortium relief	**(347,727)**	**311,298**
Current tax (credit)/charge for the period	**(347,727)**	**311,298**

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

10. Taxation *(Continued)*

(c) Factors that may affect future tax charges

The standard rate of corporation tax was reduced to 21% from 1st April 2014.

11. 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 profit for the period ended 31st December 2014 of £264,237 (28th February 2014: £12,200,282) includes a profit of £5,402,344 (28th February 2014: £44,703,358), which was dealt with in the financial statements of the Company.

12. Goodwill

Group	31st Dec 2014 £	28th Feb 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% (28th February 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 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% (28th February 2014: nil) for the N Studio Limited interior design business.

Sensitivity analysis

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

- A 91.5% increase in the discount rate to 97.5% for the latter five year period
- A 28% 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 10 months ended 31st December 2014 *(Continued)*

13. Property, plant and equipment

Group Cost	Leasehold Improvements £	Fittings and Office Equipment £	Computer Equipment £	Total £
At 1st March 2013	1,115,434	70,672	208,469	1,394,575
Additions	-	2,754	48,937	51,691
At 28th February 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**
Depreciation				
At 1st March 2013	236,677	45,643	193,026	475,346
Charge for the year	113,604	10,544	24,033	148,181
At 28th February 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**
Net book value				
At 31st December 2014	**670,483**	**8,911**	**42,131**	**721,525**
At 28th February 2014	**765,153**	**17,239**	**40,347**	**822,739**
At 28th February 2013	**878,757**	**25,029**	**15,443**	**919,229**

Company Cost	Leasehold Improvements £	Fittings and Office Equipment £	Computer Equipment £	Total £
At 1st March 2013	1,173,914	-	-	1,173,914
Disposals	-	-	-	-
At 28th February 2014	**1,173,914**	**-**	**-**	**1,173,914**
Additions	-	-	-	-
At 31st December 2014	**1,173,914**	**-**	**-**	**1,173,914**
Depreciation				
At 1st March 2013	236,677	-	-	236,677
Charge for the year	113,604	-	-	113,604
At 28th February 2014	**350,281**	**-**	**-**	**350,281**
Charge for the year	94,670	-	-	94,670
At 31st December 2014	**444,951**	**-**	**-**	**444,951**
Net book value				
At 31st December 2014	**728,963**	**-**	**-**	**728,963**
At 28th February 2014	**823,633**	**-**	**-**	**823,633**
At 28th February 2013	**937,237**	**-**	**-**	**937,237**

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

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

14. Investments

(a) Available for sale financial assets

Group	31st Dec 2014	31st Dec 2014	28th Feb 2014	28th Feb 2014
	£	£	£	£
At 1st March		8,824,659		22,148,579
Dividend received	-		(15,000,000)	
Derecognition	-		(7,148,575)	
Increase in 1 Palace Street fair value	1,175,360		8,824,655	
Net movement transferred from comprehensive income		1,175,360		(13,323,920)
At 31st December 2014		**10,000,019**		**8,824,659**
Net book value				
At 31st December 2014		**10,000,019**		**8,824,659**

The increase in available for sale financial assets represents the additional investment in the 1 Palace Street Development.

The Company was committed to invest £10.0m into the 1 Palace Street Development. At 31st December 2014 the Company had paid the commitment.

The £15 investment in 33 Thurloe Square represents a 15% equity stake. The 33 Thurloe Square Development was sold during the period and the £15 investment will be refunded in the next financial year.

(b) Other investments

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**

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

14. Investments *(Continued)*

(b) Other Investments *(Continued)*

Company	Subsidiary Undertakings	Other Investments	Total
Cost	**£**	**£**	**£**
At 1st March 2013	14,492,681	-	14,492,681
Additions	-	8,824,655	8,824,655
As at 28th February 2014	**14,492,681**	**8,824,655**	**23,317,336**
Impairment			
At 1st March 2013	6,485,260	-	6,485,260
Impairment in the year	1,108	-	1,108
As at 28th February 2014	**6,486,368**	**-**	**6,486,368**
Net book value as at 28th February 2014	**8,006,313**	**8,824,655**	**16,830,968**
Net book value as at 28th February 2013	**8,007,421**	**-**	**8,007,421**

(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

Intarya Limited changed its name to N Studio Limited on 9th October 2014.

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

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

15. Inventories

	Group	
	31st Dec 2014	28th Feb 2014
	£	£
Stock	2,928	9,099
Work in progress	4,189,195	159,460
	4,192,123	**168,559**

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

16. Trade and other receivables

	Company		Group	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
Trade receivables	31,568	3,763,209	-	-
Amounts owed by group undertakings	-	-	8,567,254	7,096,422
Other receivables	220,038	2,734,177	110,908	2,891,453
Prepayments and accrued income	535,604	170,325	321,056	122,218
	787,210	**6,667,711**	**8,999,218**	**10,110,093**

At the period end there was no provision for doubtful debts (28th February 2014: £nil). Included within other receivables is a total of £nil (28th February 2014: £1,459,774) which represented amounts paid on behalf of Bassamey Property Holdings Limited, a vehicle which acquired the 33 Thurloe Square project. The shareholder loan was repaid following the sale of the project in June 2014.

A deferred tax asset of £nil (28th February 2014: £208,305) has been recognised on losses carried forward and is included in other receivables.

17. Trade and other payables

	Group		Company	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
Trade payables	67,555	297,211	34,720	54,223
Amounts owed to group undertakings	-	-	1,141,065	8,411,065
Social security and other taxes	199,440	534,829	130,186	16,092
Other payables	2,064	5,055	1,589	2,270
Accruals and deferred income	569,325	5,778,440	268,513	1,297,011
	838,384	**6,615,535**	**1,576,073**	**9,780,661**

18. Borrowings, including lease finance

Current Liabilities	Group		Company	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
Bank loan	1,000,000	-	-	-
	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 2014 £1,000,000 was drawn. The loan incurs interest at 3.25% above the LIBOR rate and is charged quarterly. The loan is due to be repaid 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.

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

19. Corporation tax

	Group		Company	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
Corporation Tax	-	-	-	-
	-	-	-	-

20. Future financial commitments

Operating leases	Group		Company	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
	Land & Buildings	Land & Buildings	Land & Buildings	Land & Buildings
Net amount payable on operating leases which expire:				
Within one year	147,975	147,975	147,975	147,975
In two to five years	591,900	591,900	591,900	591,900
In over five years	206,760	330,815	206,760	330,815
	946,635	**1,070,690**	**946,635**	**1,070,690**

Operating leases	Group		Company	
	31st Dec 2014	28th Feb 2014	31st Dec 2014	28th Feb 2014
	£	£	£	£
	Other	Other	Other	Other
Net amount payable on operating leases which expire:				
Within one year	29,148	31,804	12,920	12,920
In two to five years	7,042	33,465	6,460	19,380
In over five years	-	-	-	-
	36,190	**65,269**	**19,380**	**32,300**

21. Capital commitments

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

22. Earnings per share

Profit per share of 0.62p (28th February 2014: 39.51p) is calculated on the profit attributable to Ordinary shares of £264,237 (28th February 2014: £12,200,282) divided by the weighted number of Ordinary shares in issue during the period.

Computation of basic earnings per share:	31st Dec 2014	28th Feb 2014
Net profit	£264,237	£12,200,282
Weighted average number of shares outstanding	42,335,538	30,879,049
Basic profit per share	0.62p	39.51p
Diluted profit per share	0.62p	39.51p

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 10 months ended 31st December 2014 *(Continued)*

23. Equity

Share capital	31st Dec 2014	28th Feb 2014
	£	£
Called up, allotted and fully paid:		
42,335,538 (28th February 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	Merger reserve
	£	£
At 1st March 2014	22,565,287	8,086,293
Dividends paid	-	(8,086,293)
At 31st December 2014	**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.

The merger reserve was created in December 2013 on the issue of 10,433,927 shares to Spadille Limited in consideration for the acquisition of NTA CB Limited (Cash Box Acquisition) with sole assets of £8,347,142. NTA CB Limited has been dissolved following the completion of the transaction. The merger reserve was cancelled on declaration of dividends in August 2014.

24. Dividends

	31st Dec 2014	28th Feb 2014
	£	£
A special dividend paid during the period of 35.43p (28th February 2014: 40p)	14,999,481	10,689,457
	14,999,481	10,689,457

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

25. 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 £nil (28th February 2014: £477,048).

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

26. 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:

Related Party	Nature of Relationship	10 months ended 31st Dec 2014 £ Total transactions in the period	10 months ended 31st Dec 2014 £ Balance at the period end	12 months ended 28th February 2014 £ Total transactions in the year	12 months ended 28th February 2014 £ Balance at the year end	Nature of Transactions
K. Nilsson	1	100,050	-	57,150	(57,150)	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 post year end.
E.B. Harris	2	25,000	(25,000)	30,000	(30,000)	Non-executive Directors' fees for the period March 2014 to December 2014 invoiced from E.C. Harris LLP
M. Williams	3	-	-	10,000	-	Non-executive Directors' fees for March 2013
M.A. AlRafi	4	-	-	10,000	-	Executive Directors' fees for the period March 2013 to June 2013
M.A. AlRafi	4	-	-	-	(975,000)	Bonus of £1,000,000 was payable from The Lancasters Development dividends. £25,000 was paid on 28th November 2012 and the balance of £975,000 was paid on 28th March 2014
A. de Rothschild	5	-	(17,500)	17,500	(17,500)	Non-executive Directors' fees for the period July 2013 to February 2014
ADCM Limited	6	1,042,466	-	1,100,000	-	Consultancy fees charged for the period March 2014 to December 2014 with £1,200,000 being paid in the period
ADCM Limited	6	63,310	1,882	116,544	27,596	Expenses charged by ADCM Limited as per the consultancy agreement. £1,882 represents a credit from ADCM Limited outstanding at the period end
Palace Revive Development Limited	7	-	-	2,705,004	-	Development management fees invoiced for the period January 2014 to December 2014 as per the development management agreement. £2,705,004 was received in advance in the prior year for the period January 2014 to December 2014

Notes to the Consolidated Financial Statements

For the 10 months ended 31st December 2014 *(Continued)*

26. Related party transactions *(Continued)*

Group

Related Party	Nature of Relationship	10 months ended 31st Dec 2014 £ Total transactions in the period	10 months ended 31st Dec 2014 £ Balance at the period end	12 months ended 28th February 2014 £ Total transactions in the year	12 months ended 28th February 2014 £ Balance at the year end	Nature of Transactions
Palace Revive Development Limited	7	166,317	-	58,949	10,770	Expenses paid on behalf of Palace Revive Development Limited. The £10,770 at the prior year end represented expenses paid but not reclaimed
Palace Real Estate Partners LP	8	1,175,360	10,000,000	8,824,640	8,824,640	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. M. Williams was a Director of the Company (resigned on 27th March 2013).
4. M.A. AlRafi was a Director of the Company (resigned on 25th June 2013).
5. A. de Rothschild was a Director of the Company (resigned on 11th February 2014)
6. ADCM Limited is a fully owned subsidiary of ADFG, the Group's ultimate parent company.
7. Palace Revive Development Limited is a company set up to develop the 1 Palace Street Development and is controlled by ADCM Limited.
8. Palace Real Estate Partners LP is a partnership that controls Palace Revive Development Limited. Northacre PLC is a limited member of Palace Real Estate Partners LP.

Company

The Directors' and pension fund 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).

Related Party	Nature of Relationship	10 months ended 31st Dec 2014 £ Total transactions in the period	10 months ended 31st Dec 2014 £ Balance at the period end	12 months ended 28th February 2014 £ Total transactions in the year	12 months ended 28th February 2014 £ Balance at the year end	Nature of Transactions
Group entities	1	216,712	-	231,000	-	Management fees receivable in the period from Group subsidiaries provided at arm's length
Group entities	1	(42,655)	-	(60,000)	-	Management fees payable in the period 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 16 and 17 of the Consolidated Financial Statements.

27. Immediate and ultimate parent undertakings

The immediate and ultimate parent undertakings are Spadille Limited, a company incorporated in England and Wales, 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 2nd June 2015 at 10.00am for the following purposes:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass Resolutions 1 to 4 as ordinary resolutions.

1. To adopt the Company's audited accounts for the financial period ended 31st December 2014 and the Strategic Report, Directors' Report and Auditors' Report on those accounts.
2. To re-elect Mr. Jassim Alseddiqi as a Director.
3. To re-appoint Kingston Smith LLP as auditor of the Company to hold office as such until the next general meeting at which accounts are laid before the Company.
4. To authorise the Directors to determine the remuneration of the auditor.

By Order Of The Board

Capita Company Secretarial Services Limited
Corporate Secretary
Date: 30th April 2015

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 31st May 2015; 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 PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
   - received at the above address no later than 10.00am on 31st May 2015.

   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 31st May 2015. 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 PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. 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 31st May 2015.

    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 30th April 2015 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 30th April 2015 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.

Designed by Consultants in Design
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