

RAVEN PROPERTY GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013



RAVEN PROPERTY GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

M Sinclair
C A Smith
G L Rabbetts

COMPANY SECRETARY

Misereavere Limited

REGISTERED NUMBER

00055973

REGISTERED OFFICE

Coln Park
Claydon Pike
Lechlade
Gloucestershire
GL7 3DT

INDEPENDENT AUDITOR

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

RAVEN PROPERTY GROUP LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Strategic report	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16

RAVEN PROPERTY GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £982,480 (2012 - loss £1,303,341).

The directors recommend a dividend payment of £Nil (2012 - £Nil)

DIRECTORS

The directors who served during the year were:

M Sinclair
C A Smith
G L Rabbetts

RAVEN PROPERTY GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

EMPLOYEE INVOLVEMENT

Raven Property Group Limited, which employs the staff of the Raven Mount Limited group of companies in the United Kingdom. The company operates a policy of equal opportunity. No job applicant or employee is to be treated less favourably than another on the grounds of sex, marital status, race, nationality, ethnic origin, colour, age or religious belief.

DISABLED EMPLOYEES

Within the limitations of its trading activities, it is the company's policy to make every effort to engage disabled persons. If an employee becomes disabled during the period of employment every effort is made, through re-training if necessary, to enable the employee to remain with the company. Opportunities for career development are available to all, including disabled persons.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on

31 July 14.

and signed on its behalf.



G L Rabbetts
Director

RAVEN PROPERTY GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

BUSINESS REVIEW

The company acts as the service company for a number of group companies. The company intends to continue this function until its investments and those of the group are realised. It also intends to distribute or loan funds to its parent and ultimate parent Raven Russia Limited as and when surplus funds are generated.

During the year the company received circa £15m of intercompany loan repayments, it made loan repayments of £4.1m and provided new loans to Raven Russia Limited amounting to £9.2m. At the year end its remaining loan with Raven Property Holdings Limited stood at circa £1m with £5.4m still owing from its subsidiary Swan Hill Homes Limited. Both of these companies have continued to make further loan repayments during 2014 and this has enabled the company to lend further surplus funds intra group despite continued operational losses as a result of its service company function for the group.

PRINCIPAL RISKS AND UNCERTAINTIES

The timing and quantum of distributions to be made is the main risk for the company and these are dependent on the performance of the UK group as a whole and its ability to generate cash from its property portfolio.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the current financial position of the company as its key performance indicator. The financial position of the company, as found on page 7 is £16,802k. The directors monitor the financial position on a monthly basis to ensure the company's strategy is achieved.

This report was approved by the board on

31 July 14

and signed on its behalf.



G L Rabbetts
Director

RAVEN PROPERTY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVEN PROPERTY GROUP LIMITED

We have audited the financial statements of Raven Property Group Limited for the year ended 31 December 2013, set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

RAVEN PROPERTY GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVEN PROPERTY GROUP LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stacy Eden (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date:

8 August 2014

RAVEN PROPERTY GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	12,500	-
Cost of sales		(10,416)	-
		<hr/>	<hr/>
GROSS PROFIT		2,084	-
Administrative expenses		(1,006,429)	(1,475,569)
Other operating income	3	412	19,143
		<hr/>	<hr/>
OPERATING LOSS	4	(1,003,933)	(1,456,426)
Interest receivable and similar income		21,453	10,790
Release from amounts due to fellow group companies		-	103,791
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(982,480)	(1,341,845)
Tax on loss on ordinary activities	7	-	38,504
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR	14	(982,480)	(1,303,341)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

RAVEN PROPERTY GROUP LIMITED
REGISTERED NUMBER: 00055973

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		5,259		10,955
Investments	9		-		-
			<u>5,259</u>		<u>10,955</u>
DEBTORS: amounts falling due after more than one year	10		5,368,205		-
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	10,574,856		21,909,160	
Cash at bank		1,529,019		588,514	
		<u>17,472,080</u>		<u>22,497,674</u>	
CREDITORS: amounts falling due within one year	11	(528,934)		(4,674,164)	
NET CURRENT ASSETS			16,943,146		17,823,510
TOTAL ASSETS LESS CURRENT LIABILITIES			16,948,405		17,834,465
PROVISIONS FOR LIABILITIES					
Other provisions	12		(146,900)		(50,480)
NET ASSETS			<u>16,801,505</u>		<u>17,783,985</u>
CAPITAL AND RESERVES					
Called up share capital	13		14,963,833		14,963,833
Share premium account	14		42,959,364		42,959,364
Other reserves	14		2,431,357		2,431,357
Profit and loss account	14		(43,553,049)		(42,570,569)
SHAREHOLDERS' FUNDS	15		<u>16,801,505</u>		<u>17,783,985</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



31 July 2014

G L Rabbetts
Director

The notes on pages 8 to 16 form part of these financial statements.

RAVEN PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company has sufficient financial resources and the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment, fixtures & fittings - 33% Straight line

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

RAVEN PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.9 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

2. TURNOVER

The company's turnover and loss before taxation arises solely in the United Kingdom from its activities as a provider of management services to entities within the Raven Mount Limited group and its associates.

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	412	19,143

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. OPERATING LOSS

The operating loss is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	5,696	4,315
Operating lease rentals:		
- other operating leases	21,822	139,771
Difference on foreign exchange	-	296
	<u>27,518</u>	<u>144,382</u>

Auditors remuneration is borne by Raven Mount Limited, a fellow group company and disclosed within the company's financial statements.

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	450,843	552,079
Social security costs	59,269	55,460
Pension costs	11,190	13,967
	<u>521,302</u>	<u>621,506</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
	<u>5</u>	<u>6</u>

6. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>178,231</u>	<u>172,000</u>

7. TAXATION

	2013 £	2012 £
Compensation for losses surrendered to related undertakings	<u>-</u>	<u>(38,504)</u>

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(982,480)</u>	<u>(1,341,845)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	(228,427)	(328,752)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(10,428)	-
Capital allowances for year in excess of depreciation	-	(14,561)
Unrelieved tax losses carried forward	-	30,589
Group relief	238,855	274,220
Current tax charge/(credit) for the year (see note above)	<u>-</u>	<u>(38,504)</u>

Factors that may affect future tax charges

In March 2012 the UK Government announced the main rate of UK corporation tax would reduce from 24% with effect from 1 April 2012 and reduce to 23% with effect from 1 April 2013.

In March 2013 the UK Government announced the main rate of UK corporation tax would reduce to 21% with effect from 1 April 2014 and reduce to 20% with effect from 1 April 2015. These changes have not yet been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 January 2013 and 31 December 2013	18,021
Depreciation	
At 1 January 2013	7,066
Charge for the year	5,696
At 31 December 2013	12,762
Net book value	
At 31 December 2013	5,259
<i>At 31 December 2012</i>	10,955

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	8,747,455
Impairment	
At 1 January 2013 and 31 December 2013	8,747,455
Net book value	
At 31 December 2013	-
<i>At 31 December 2012</i>	-

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Misereavere Limited	Ordinary	100 %
Southend Estates Group Limited	Ordinary	99.99 %
Swan Hill Homes Limited	Ordinary	99.99 %
Swan Hill Property Holdings Limited	Ordinary	100 %
Swan Hill Share Scheme Trustee Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Misereavere Limited	(106)	-
Southend Estates Group Limited	82,343	10,307
Swan Hill Homes Limited	(5,225,758)	308,399
Swan Hill Property Holdings Limited	(1,478,082)	(14,241)
Swan Hill Share Scheme Trustee Limited	107	-
	<u> </u>	<u> </u>

10. DEBTORS

	2013 £	2012 £
Due after more than one year		
Amounts owed by fellow group companies	<u>5,368,205</u>	<u>-</u>
	2013 £	2012 £
Due within one year		
Amounts owed by fellow group companies	10,552,522	21,723,324
Amounts owed by related parties	-	38,504
Other debtors	18,929	142,807
Prepayments and accrued income	3,405	4,525
	<u>10,574,856</u>	<u>21,909,160</u>

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

11. CREDITORS:
Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	3,744	29,924
Amounts owed to fellow group companies	174,678	4,300,302
Other taxation and social security	14,403	14,072
Unclaimed dividend	68,504	68,504
Other creditors	6,095	6,322
Accruals and deferred income	261,510	255,040
	528,934	4,674,164

12. PROVISIONS

	Asbestos Provision £
At 1 January 2013	50,480
Additions	143,882
Amounts used	(47,462)
At 31 December 2013	146,900

Asbestos Provision

The asbestos provision is to cover uninsured claims from former employees who have been exposed to asbestos. The provision is estimated based on claims notified. The majority of asbestos claims are covered by insurance and are not included in this provision.

13. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
59,855,333 (2012 - 59,855,333) Ordinary shares of £0.25 each	14,963,833	14,963,833

RAVEN PROPERTY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. RESERVES

	Share premium account £	Capital Redemption Reserve £	Profit and loss account £
At 1 January 2013	42,959,364	2,431,357	(42,570,569)
Loss for the financial year			(982,480)
At 31 December 2013	<u>42,959,364</u>	<u>2,431,357</u>	<u>(43,553,049)</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	17,783,985	19,087,326
Loss for the financial year	(982,480)	(1,303,341)
Closing shareholders' funds	<u>16,801,505</u>	<u>17,783,985</u>

16. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £11,190 (2012 - £13,967). Contributions totalling £Nil (2012 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Raven Mount Limited, a company registered in England and Wales. Its registered office is Coln Park, Claydon Pike, Lechlade, Gloucestershire, GL7 3DT.

The smallest and largest group of undertakings of which the company is a member and for which group financial statements are prepared is Raven Russia Limited, a company incorporated in Guernsey. A copy of Raven Russia Limited's group financial statements, can be obtained from the Raven Russia Limited website www.ravenrussia.com

RAVEN PROPERTY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

18. RELATED PARTY TRANSACTIONS

The company is a wholly-owned subsidiary of Raven Russia Limited, and as such has taken advantage of the exemption under FRS 8 for disclosing transactions with entities which are wholly owned within the group.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 December 2013, are as follows:

At 31 December 2013, the company has amounts due from Coln Park Construction Limited of £Nil (2012 - £38,504) in respect of compensation for consortium relief surrendered. Coln Park Construction Limited is a joint venture undertaking of Raven Mount Limited, a fellow group company. Interest receivable was accrued of £Nil (2012 - £8,160) during the year.