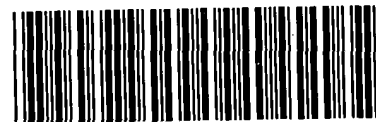


COMPANY REGISTRATION NUMBER: 560426

**BRONDMEX COMPANY LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**31 MARCH 2018**

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**BRONDMEX COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2018**

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**BRONDMEX COMPANY LIMITED**

**DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2018**

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2018.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was investment in listed securities and property investment. There has been no significant change in the nature of the company's business activities during the year, nor is any envisaged in the immediate future.

**DIRECTORS**

The directors who served the company during the year were as follows:

Mr B S E Freshwater

Mr D Davis

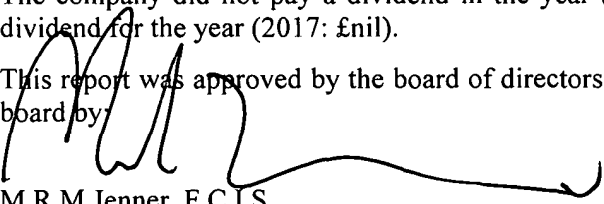
The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

**RESULTS AND DIVIDENDS**

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2017: £nil). The directors do not propose a final dividend for the year (2017: £nil).

This report was approved by the board of directors on ..... **17 DEC 2018** ..... and signed on behalf of the board by

  
M R M Jenner, F.C.I.S.

Company Secretary

Registered office:

Freshwater House

158-162 Shaftesbury Avenue

London

WC2H 8HR

**BRONDMEX COMPANY LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
<b>TURNOVER</b>	<b>4</b>	<b>51,029</b>	<b>48,429</b>
Cost of sales		<u>(1,724)</u>	<u>3,356</u>
<b>GROSS PROFIT</b>		<b>49,305</b>	<b>51,785</b>
Administrative expenses		(3,891)	(2,786)
Net valuation (deficit)/gains on listed investments		(230,932)	339,912
Net valuation gains on property investments		<u>265,890</u>	<u>—</u>
<b>OPERATING PROFIT</b>		<b>80,372</b>	<b>388,911</b>
<b>PROFIT BEFORE TAXATION</b>		<b>80,372</b>	<b>388,911</b>
Tax on profit	<b>6</b>	<u>(4,000)</u>	<u>(29,000)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b><u>76,372</u></b>	<b><u>359,911</u></b>

All the activities of the company are from continuing operations.

# BRONDMEX COMPANY LIMITED

## BALANCE SHEET

31 MARCH 2018

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investment properties	7	270,875	4,985
Investments	8	<u>3,108,511</u>	<u>3,339,443</u>
		<b>3,379,386</b>	<b>3,344,428</b>
<b>CURRENT ASSETS</b>			
Debtors	9	575,694	581,424
Cash at bank and in hand		<u>147,053</u>	<u>96,198</u>
		<b>722,747</b>	<b>677,622</b>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(2,053)</u>	<u>(2,342)</u>
<b>NET CURRENT ASSETS</b>		<b>720,694</b>	<b>675,280</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,100,080</b>	<b>4,019,708</b>
<b>PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	11	<u>(517,000)</u>	<u>(513,000)</u>
<b>NET ASSETS</b>		<b><u>3,583,080</u></b>	<b><u>3,506,708</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100	100
Profit and loss account	15	<u>3,582,980</u>	<u>3,506,608</u>
<b>TOTAL EQUITY</b>		<b><u>3,583,080</u></b>	<b><u>3,506,708</u></b>

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 17 DEC 2018 and are signed on behalf of the board by:

**B S E Freshwater**  
Director

Company registration number: 560426

**BRONDMEX COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total £
<b>AT 1 APRIL 2016</b>	100	3,146,697	3,146,797
Profit for the year	—	359,911	359,911
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	359,911	359,911
<b>AT 31 MARCH 2017</b>	100	3,506,608	<b>3,506,708</b>
Profit for the year	—	76,372	<b>76,372</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	—	76,372	<b>76,372</b>
<b>AT 31 MARCH 2018</b>	<u>100</u>	<u>3,582,980</u>	<u><b>3,583,080</b></u>

The balance on the profit and loss account at 31 March 2018 includes £2,817,481 of unrealised profits which are not available for distribution.

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2018**

**1. GENERAL INFORMATION**

Brondmex Company Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with the provisions applicable to companies subject to the small companies' regime and voluntarily adopting FRS 102, 'The Financial Reporting Standard applicable to the UK and the Republic of Ireland'.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention except that listed investments and investment property are measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, as the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due, based on the net current asset position of the company and available sources of finance.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

**Disclosure exemptions**

In these financial statements, the company is considered to be a small entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the Cash Flow Statement and related notes.

**Turnover**

Turnover comprises income from listed investments and rents and service charges receivable. Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES** *(continued)*

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the investment property.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.



**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES** *(continued)*

**Investment properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- Investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and
- No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

**Disposals of properties**

The company generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. When an outright sale does occur the resulting surplus based on the excess of sales proceeds over valuation is included within the company's profit on ordinary activities, and taxation applicable thereto is shown as part of the taxation charge. Disposals are recognised on the date the significant risks and rewards of ownership have been transferred. In addition the company also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

**Investments**

Listed investments are initially recorded at cost, and subsequently stated at fair value with changes in fair value being recognised in profit or loss account.

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**3. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

**Basic financial instruments**

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

**Income and expenses**

Interest receivable and interest payable:

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

**4. TURNOVER**

Turnover arises from:

	2018	2017
	£	£
Rent receivable	172	167
Dividends	50,857	48,262
	<u>51,029</u>	<u>48,429</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**5. PARTICULARS OF EMPLOYEES**

No salaries or wages have been paid to employees including the directors during the year (2017: £Nil).

**6. TAX ON PROFIT**

**Major components of tax expense**

	2018 £	2017 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	4,000	55,889
Impact of change in tax rate	—	(26,889)
Total deferred tax	<u>4,000</u>	<u>29,000</u>
<b>Tax on profit</b>	<u>4,000</u>	<u>29,000</u>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>80,372</u>	<u>388,911</u>
Profit on ordinary activities by rate of tax	15,271	77,782
Non-taxable income	(9,663)	(9,652)
Timing differences on unrealised gains	(2,642)	(12,093)
Impact of change in tax rate	—	(26,889)
Disallowed expenses	262	—
Other differences	772	(148)
Tax on profit	<u>4,000</u>	<u>29,000</u>

**Factors that may affect future tax expense**

A reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. This will reduce the Company's future tax charge accordingly.

The deferred tax liability at 31 March 2018 has been calculated based on the rate of 17% (2017: 17%).

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**7. INVESTMENT PROPERTIES**

	<b>Freehold property £</b>
<b>Fair value</b>	
At 1 April 2017	4,985
Revaluations	<u>265,890</u>
<b>At 31 March 2018</b>	<u><b>270,875</b></u>
<b>Carrying amount</b>	
<b>At 31 March 2018</b>	<u><b>270,875</b></u>
At 31 March 2017	<u>4,985</u>

**Investment properties held at valuation**

An independent professional revaluation of the Company's property was carried out at 31 March 2018 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation - Professional Standards (2014).

**Valuation techniques and key inputs**

The company's residential apartments and houses (£270,875, 2017: £4,985) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies.

**Historical cost model**

The historical cost of investment properties at 31 March 2018 is £307 (2017: £307).

**8. INVESTMENTS**

	<b>Listed investments £</b>
<b>Fair value</b>	
At 1 April 2017	3,339,443
Revaluations	<u>(230,932)</u>
<b>At 31 March 2018</b>	<u><b>3,108,511</b></u>
<b>Impairment</b>	
<b>At 1 April 2017 and 31 March 2018</b>	<u><u>—</u></u>
<b>Carrying amount</b>	
<b>At 31 March 2018</b>	<u><b>3,108,511</b></u>
At 31 March 2017	<u>3,339,443</u>

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**8. INVESTMENTS** *(continued)*

The fair value of the listed investments at the balance sheet date are determined using quoted prices.

**Historical cost model**

The historical cost of listed investments at 31 March 2018 is £44,598 (2017: £44,598).

**9. DEBTORS**

	2018	2017
	£	£
Trade debtors	748	409
Other debtors	<u>574,946</u>	<u>581,015</u>
	<u>575,694</u>	<u>581,424</u>

Other debtors relate to amounts due from a connected company, Highdorn Co. Limited, a company of which Mr B S E Freshwater is a director and also has a non-beneficial interest in its share capital. The loan is interest free and effectively repayable on demand.

**10. CREDITORS: amounts falling due within one year**

	2018	2017
	£	£
Other creditors	<u>2,053</u>	<u>2,342</u>

**11. PROVISIONS FOR LIABILITIES & CHARGES**

	Deferred tax (note 12) £
At 1 April 2017	513,000
Charge for the year	<u>4,000</u>
<b>At 31 March 2018</b>	<u><b>517,000</b></u>

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**12. DEFERRED TAX**

The deferred tax included in the balance sheet is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Included in provisions for liabilities & charges (note 11)	<b><u>517,000</u></b>	<b><u>513,000</u></b>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Revaluation of investment properties	<b>46,000</b>	1,000
Revaluation of listed investments	<b><u>471,000</u></b>	<b><u>512,000</u></b>
	<b><u>517,000</u></b>	<b><u>513,000</u></b>

**13. FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets measured at fair value through profit or loss</b>		
Market value of listed investments	<b><u>3,108,511</u></b>	<b><u>3,339,443</u></b>
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Debtors	<b>575,694</b>	581,424
Cash at Bank	<b><u>147,053</u></b>	<b><u>96,198</u></b>
	<b><u>722,747</u></b>	<b><u>677,622</u></b>
<b>Financial liabilities measured at amortised cost</b>		
Creditors	<b><u>2,053</u></b>	<b><u>2,342</u></b>

**14. CALLED UP SHARE CAPITAL**

**Issued, called up and fully paid**

	<b>2018</b>		<b>2017</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<b>50</b>	<b>50.00</b>	50	50.00
Preference shares of £0.10 each	<b><u>500</u></b>	<b><u>50.00</u></b>	<u>500</u>	<u>50.00</u>
	<b><u>550</u></b>	<b><u>100.00</u></b>	<b><u>550</u></b>	<b><u>100.00</u></b>

**15. CAPITAL AND RESERVES**

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

**BRONDMEX COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**16. OPERATING LEASES**

**As lessor**

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>172</b>	172
Later than 1 year and not later than 5 years	<b>686</b>	686
Later than 5 years	<b><u>12,387</u></b>	<u>12,559</u>
	<b><u>13,245</u></b>	<u>13,417</u>

**17. RELATED PARTY TRANSACTIONS**

The majority of the day to day management of the company's property and its operations is carried out by Highdorn Co. Limited ("Highdorn"), a company in which Mr B S E Freshwater is a director and has a non-beneficial interest in the share capital.

During the year £300 (2017: £300), including VAT, was payable to Highdorn for the full range of management and administrative services which were charged for at normal commercial rates.

Dividends receivable from listed investments relate to Daejan Holdings Plc, a company in which Mr B S E Freshwater and Mr D Davis are directors and are also interested in its share capital.

The Board considers that the Directors are the key management personnel of the company and their remuneration is disclosed in note 5.

**18. ACCOUNTING ESTIMATES AND JUDGEMENTS**

**i. Property valuations**

The valuation of the company's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 7). Therefore the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in Note 3 above, all the company's properties are valued by external valuers with appropriate qualifications and experience.

**ii. Trade debtors**

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.