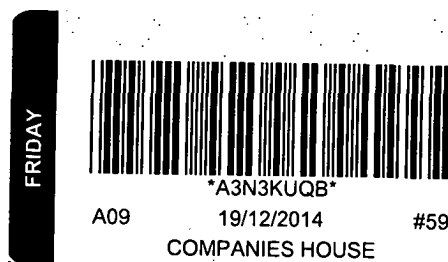


THE CROMLECH PROPERTY CO. LIMITED
FINANCIAL STATEMENTS
31 MARCH 2014



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

THE CROMLECH PROPERTY CO. LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

CONTENTS	PAGES
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the shareholders	4 to 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9 to 13
The following pages do not form part of the financial statements	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

THE CROMLECH PROPERTY CO. LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

B S E Freshwater
D Davis

COMPANY SECRETARY

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

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

AUDITOR

Cohen Arnold
Chartered Accountants
& Statutory Auditor
New Burlington House
1075 Finchley Road
London
NW11 0PU

THE CROMLECH PROPERTY CO. LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

RESULTS AND DIVIDENDS

The loss for the year amounted to £857,975. The directors have not recommended a dividend.

DIRECTORS

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

B S E Freshwater

D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract, nor do they receive any emoluments from the company.

The company does not grant share options to its directors nor does it pay pension contributions on their behalf.

DIRECTORS' INTERESTS IN CONTRACTS

Day to day management of the company's properties is carried out by Freshwater Property Management Limited of which Mr B S E Freshwater is a director. Mr B S E Freshwater and Mr D Davis are also Governors of the Parent Undertaking of Freshwater Property Management Limited but have no beneficial interest in either company.

The only contracts in which directors were interested were those entered into in the normal course of business.

DIRECTORS' INTERESTS IN SHARE CAPITAL

The whole of the issued share capital of the company is owned by City and Country Properties Limited. At 31 March 2014, neither director has any interest in the share capital of the company, the parent undertaking or any subsidiary of the company's parent undertaking.

The interest of the directors, and those of their families and family trusts, in the share capital of Daejan Holdings PLC, the ultimate parent undertaking, are set out in the Directors' Report of that company.

INVESTMENT PROPERTIES

A professional revaluation of the whole of the company's investment portfolio was carried out at 31 March 2014 by the company's external valuers, Colliers International, Chartered Surveyors. The resultant figures have been included in the Financial Statements now being presented. The surplus of £906,254 over previous book values has been transferred to Revaluation Reserve.

THE CROMLECH PROPERTY CO. LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2014

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 year.

In preparing these 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;
- 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.

DONATIONS

During the year the company made no charitable donation nor political contribution.

AUDITOR

Cohen Arnold are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



M R M JENNER, F.C.I.S.
Company Secretary

Approved by the directors on 16/12/2014

THE CROMLECH PROPERTY CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE CROMLECH PROPERTY CO. LIMITED
YEAR ENDED 31 MARCH 2014

We have audited the financial statements of The Cromlech Property Co. Limited for the year ended 31 March 2014 on pages 6 to 13. 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 set out on page 3, 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2014 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CROMLECH PROPERTY CO. LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE CROMLECH PROPERTY CO. LIMITED *(continued)*

YEAR ENDED 31 MARCH 2014

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



DAVID BIRNS (Senior Statutory Auditor)

For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
London
NW11 0PU

16/12/2014

THE CROMLECH PROPERTY CO. LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

		2014	2013
	Note	£	£
TURNOVER	2	379,298	373,213
Cost of Sales		<u>(368,273)</u>	<u>(336,365)</u>
GROSS PROFIT		11,025	36,848
Administrative Expenses		<u>(15,000)</u>	<u>(15,000)</u>
OPERATING (LOSS)/PROFIT	3	(3,975)	21,848
Interest Payable and Similar Charges	5	(1,110,000)	(1,371,000)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,113,975)</u>	<u>(1,349,152)</u>
Tax on Loss on Ordinary Activities	6	256,000	323,796
LOSS FOR THE FINANCIAL YEAR		<u>(857,975)</u>	<u>(1,025,356)</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 13 form part of these financial statements.

THE CROMLECH PROPERTY CO. LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Loss for the Financial Year Attributable to the Shareholders	(857,975)	(1,025,356)
Unrealised Profit on Revaluation of Certain Fixed Assets	<u>906,254</u>	<u>87,875</u>
Total Gains and Losses Recognised Since the Last Annual Report	<u>48,279</u>	<u>(937,481)</u>

The notes on pages 9 to 13 form part of these financial statements.

THE CROMLECH PROPERTY CO. LIMITED

BALANCE SHEET

31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible Assets	7	19,000,000	18,000,000
CURRENT ASSETS			
Debtors	8	943,604	768,603
Cash at Bank		<u>20,563</u>	<u>20,563</u>
		964,167	789,166
CREDITORS: Amounts falling due within one year	9	<u>(28,040,623)</u>	<u>(26,913,901)</u>
NET CURRENT LIABILITIES		<u>(27,076,456)</u>	<u>(26,124,735)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(8,076,456)</u>	<u>(8,124,735)</u>
CAPITAL AND RESERVES			
Called-Up Equity Share Capital	11	120,800	120,800
Revaluation Reserve	12	7,007,854	6,101,600
Profit and Loss Account	12	<u>(15,205,110)</u>	<u>(14,347,135)</u>
DEFICIT	13	<u>(8,076,456)</u>	<u>(8,124,735)</u>

These accounts were approved by the directors and authorised for issue on 16/12/2014, and are signed on their behalf by:

B S E FRESHWATER
Director

Company Registration Number: 613900

The notes on pages 9 to 13 form part of these financial statements.

THE CROMLECH PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern notwithstanding the deficiency in net current assets at the balance sheet date. The directors consider this to be appropriate having regard to the continued provision of financial support by the company's ultimate parent undertaking, Daejan Holdings PLC. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Cash flow statement

Under Financial Reporting Standard No. 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of an ultimate parent undertaking registered in England and Wales, which prepares Consolidated Financial Statements that include a Consolidated Cash Flow Statement.

Related party transactions

The company has taken advantage of the exemptions in Financial Reporting Standard No. 8 "Related Party Disclosures" in order to dispense with the requirement to disclose transactions with other Daejan Holdings PLC Group Companies.

Turnover

Turnover comprises rents and service charges receivable less applicable provisions.

Depreciation

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of Freehold investment properties nor on Leasehold investment properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 2006, for all properties to be depreciated, is necessary, as the directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view.

Investment properties

Investment properties are included in the Balance Sheet at professional valuation. Any surplus, and any temporary deficit is transferred to the revaluation reserve, and on realisation this surplus or deficit is transferred to the cumulative Profit and Loss Account. Deficits which are expected to be permanent are charged to Profit and Loss Account, and subsequent reversals of such deficits are credited to Profit and Loss Account in the same way.

THE CROMLECH PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

Taxation

The charge for tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current:

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred taxation:

Deferred tax is provided in respect of all timing differences that have originated but not reversed by the balance sheet date where an event has occurred that results in an obligation to pay more or less tax in future, except that:

- No provision is made in respect of unrealised property revaluation surpluses; and
- Deferred tax assets are recognised to the extent that they are considered recoverable.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Acquisitions and disposals of properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

2. TURNOVER

The turnover of the company is represented by rents and charges receivable in respect of the properties held for investment purposes.

The gross profit is comprised as follows:

	2014 £	2013 £
Rents and charges receivable	379,298	373,213
Property outgoings	(368,273)	(336,365)
Net Rental Income	<u>11,025</u>	<u>36,848</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2014 £	2013 £
Auditor's remuneration		
- as auditor	<u>10,500</u>	<u>10,000</u>

THE CROMLECH PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

4. PARTICULARS OF EMPLOYEES

The staff provided by the property and administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with a fellow subsidiary of the company and their costs subsequently recharged to the company at a level appropriate to the activity of the company. No recharges were made during the year (2013: Nil).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Other similar charges payable	<u>1,110,000</u>	<u>1,371,000</u>

Other similar charges payable represents interest payable to group undertakings in the amount of £1,110,000 (2013: £1,371,000).

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
Corporation tax	-	-
Consideration receivable for group relief - current year	<u>(256,000)</u>	<u>(323,796)</u>
Total current tax	<u>(256,000)</u>	<u>(323,796)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014 £	2013 £
Loss on ordinary activities before taxation	<u>(1,113,975)</u>	<u>(1,349,152)</u>
Loss on ordinary activities by rate of tax	<u>(256,214)</u>	<u>(323,796)</u>
Disallowed expenses	1,840	-
Utilisation of brought forward tax losses	<u>(926)</u>	-
Other differences	<u>(700)</u>	-
Total current tax (note 6(a))	<u>(256,000)</u>	<u>(323,796)</u>

(c) Factors that may affect future tax charges

The 2013 Budget announced on 20 March 2013 that the UK Corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge.

In the event of a realisation of the company's properties at an amount equal to the valuation recorded in the Financial Statements, a liability to corporation tax of £Nil (2013 - £Nil) would arise.

THE CROMLECH PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

7. TANGIBLE FIXED ASSETS

	Freehold Property £
COST OR VALUATION	
At 1 April 2013	18,000,000
Additions	93,746
Revaluation	906,254
At 31 March 2014	<u>19,000,000</u>
NET BOOK VALUE	
At 31 March 2014	<u>19,000,000</u>
At 31 March 2013	<u>18,000,000</u>

The historical cost of investment properties at 31 March 2014 is £11,992,146.

The company's investment properties were professionally valued at 31 March 2014 by Colliers International, Chartered Surveyors. The valuation figures are based upon open market values in accordance with the Practice Statements in the R.I.C.S. Appraisal and Valuation Manual.

8. DEBTORS

	2014 £	2013 £
Trade debtors	31,808	112,807
Other debtors	<u>911,796</u>	<u>655,796</u>
	<u>943,604</u>	<u>768,603</u>

9. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	32,070	32,070
Amounts owed to group undertakings	27,944,389	26,814,487
Other taxation	22,495	13,941
Other creditors	<u>41,669</u>	<u>53,403</u>
	<u>28,040,623</u>	<u>26,913,901</u>

10. DIRECTORS' INTEREST IN CONTRACTS

The majority of the day-to-day management of the company's property and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited respectively. Mr BSE Freshwater is a director of, but has no beneficial interest in the share capital of, either of these companies.

Mr BSE Freshwater and Mr D Davis are also Governors of the parent undertaking of Freshwater Property Management Limited, but have no beneficial interest in that company.

The amounts paid for the provision of management services charged for at normal commercial rates was £13,420 (2013: £13,809).

THE CROMLECH PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2014

11. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>120,800</u>	<u>120,800</u>	<u>120,800</u>	<u>120,800</u>

12. RESERVES

	Revaluation reserve £	Profit and loss account £
Balance brought forward	6,101,600	(14,347,135)
Loss for the year	–	(857,975)
Other gains and losses		
- Revaluation of fixed assets	<u>906,254</u>	<u>–</u>
Balance carried forward	<u>7,007,854</u>	<u>(15,205,110)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year	(857,975)	(1,025,356)
Other net recognised gains and losses	<u>906,254</u>	<u>87,875</u>
Net addition/(reduction) to shareholders' deficit	48,279	(937,481)
Opening shareholders' deficit	<u>(8,124,735)</u>	<u>(7,187,254)</u>
Closing shareholders' deficit	<u>(8,076,456)</u>	<u>(8,124,735)</u>

14. PARENT COMPANY AND CONTROLLING PARTY

The parent company is City and Country Properties Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The company's ultimate parent undertaking and controlling party is Daejan Holdings PLC, a company incorporated in the United Kingdom and registered in England and Wales.

Copies of the Group Financial Statements of Daejan Holdings PLC can be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.

THE CROMLECH PROPERTY CO. LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2014

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5.**

THE CROMLECH PROPERTY CO. LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

	2014	2013
	£	£
TURNOVER	379,298	373,213
COST OF SALES		
General and water rates	(262,557)	(247,776)
Insurance	(8,819)	(8,955)
Repairs and renewals	(27,088)	(27,255)
Legal and professional	(34,750)	(12,877)
Light and heat	(152)	(156)
Porterage and cleaning	(21,487)	(25,537)
Letting & management commission	<u>(13,420)</u>	<u>(13,809)</u>
	<u>(368,273)</u>	<u>(336,365)</u>
GROSS PROFIT	11,025	36,848
OVERHEADS		
Administrative Expenses	<u>(15,000)</u>	<u>(15,000)</u>
OPERATING (LOSS)/PROFIT	(3,975)	21,848
Group interest payable	<u>(1,110,000)</u>	<u>(1,371,000)</u>
LOSS ON ORDINARY ACTIVITIES	<u>(1,113,975)</u>	<u>(1,349,152)</u>

THE CROMLECH PROPERTY CO. LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
ADMINISTRATIVE EXPENSES		
General expenses		
Legal and professional fees	4,500	5,000
Auditors remuneration	<u>10,500</u>	<u>10,000</u>
	<u>15,000</u>	<u>15,000</u>