

**COMPANY REGISTRATION NUMBER: 876266**

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2018**



**COHEN ARNOLD**  
Chartered Accountants & statutory auditor  
New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2018**

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# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2018**

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

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is property investment in commercial properties in the UK. From time to time the company undertakes new developments and also the redevelopment of its existing properties. The company's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the company's investment properties is considered to be potentially for sale in the right circumstances. 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.

#### **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 with the company.

The majority of the day-to-day management of the company's properties and its operations is carried out by Freshwater Property Management Limited and Highdorn Co. Limited. 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 Trustees of the parent undertaking of Freshwater Property Management Limited, but have no beneficial interest in that company.

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

#### **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).

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 the profit or loss of the company for that period.

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

## **DIRECTORS' REPORT** *(continued)*

### **YEAR ENDED 31 MARCH 2018**

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;
- 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.

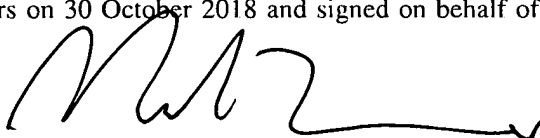
### **AUDITOR**

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 30 October 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

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY AND**  
**COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**YEAR ENDED 31 MARCH 2018**

**OPINION**

We have audited the financial statements of City and Country Properties (Camberley) Limited (the 'company') for the year ended 31 March 2018 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY AND**  
**COUNTRY PROPERTIES (CAMBERLEY) LIMITED** *(continued)*  
**YEAR ENDED 31 MARCH 2018**

**OTHER INFORMATION**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**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 director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**RESPONSIBILITIES OF DIRECTORS**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY AND**  
**COUNTRY PROPERTIES (CAMBERLEY) LIMITED** *(continued)*

**YEAR ENDED 31 MARCH 2018**

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Dov Harris (Senior Statutory Auditor)

For and on behalf of  
Cohen Arnold  
Chartered Accountants & statutory auditor

New Burlington House  
1075 Finchley Road  
London  
NW11 0PU

30 October 2018

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**YEAR ENDED 31 MARCH 2018**

|  | Note     | 2018<br>£              | 2017<br>£             |
|--|----------|------------------------|-----------------------|
| <b>TURNOVER</b>  | <b>4</b> | <b>72,000</b>          | 72,000                |
| Cost of sales  |          | <u>(14,136)</u>        | <u>(49,424)</u>       |
| <b>GROSS PROFIT</b>  |          | <b>57,864</b>          | 22,576                |
| Administrative expenses  |          | <u>(17,735)</u>        | <u>(17,800)</u>       |
| Net valuation gains on investment property                                 |          | <b>58,000</b>          | 633,000               |
| Loss on disposal of investment property                                    |          | <u>(23,220)</u>        | <u>—</u>              |
| <b>OPERATING PROFIT</b>  | <b>5</b> | <b>74,909</b>          | 637,776               |
| Interest receivable  |          | —                      | 189                   |
| Interest payable   | <b>7</b> | <u>(113,000)</u>       | <u>(113,000)</u>      |
| <b>(LOSS)/PROFIT BEFORE TAXATION</b>                                       |          | <b>(38,091)</b>        | 524,965               |
| Tax on (loss)/profit   | <b>8</b> | <u>(10,271)</u>        | <u>15,152</u>         |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b> |          | <b><u>(48,362)</u></b> | <b><u>540,117</u></b> |

All the activities of the company are from continuing operations.



# CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED

## BALANCE SHEET

31 MARCH 2018

|   | Note | 2018<br>£          | 2017<br>£          |
|---|------|--------------------|--------------------|
| <b>FIXED ASSETS</b>                                   |      |                    |                    |
| Investment properties                                 | 9    | 1,298,093          | 1,990,093          |
| <b>CURRENT ASSETS</b>                                 |      |                    |                    |
| Debtors   | 10   | 20,190             | 52,241             |
| Cash at bank and in hand                              |      | 24,037             | 24,034             |
|   |      | <u>44,227</u>      | <u>76,275</u>      |
| <b>CREDITORS: amounts falling due within one year</b> | 11   | <u>(2,352,365)</u> | <u>(3,028,051)</u> |
| <b>NET CURRENT LIABILITIES</b>                        |      | <u>(2,308,138)</u> | <u>(2,951,776)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | <u>(1,010,045)</u> | <u>(961,683)</u>   |
| <b>CAPITAL AND RESERVES</b>                           |      |                    |                    |
| Called up share capital                               | 12   | 100                | 100                |
| Profit and loss account                               | 13   | <u>(1,010,145)</u> | <u>(961,783)</u>   |
| <b>TOTAL EQUITY</b>                                   |      | <u>(1,010,045)</u> | <u>(961,683)</u>   |

These financial statements were approved by the board of directors and authorised for issue on 30 October 2018, and are signed on behalf of the board by:

**B S E Freshwater**  
Director

Company registration number: 876266

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 MARCH 2018**

|  | Called up<br>share capital<br>£ | Profit and<br>loss account<br>£ | <b>Total<br/>£</b>        |
|--|---------------------------------|---------------------------------|---------------------------|
| <b>AT 1 APRIL 2016</b>                         | 100                             | (1,501,900)                     | (1,501,800)               |
| Profit for the year                            | <u>—</u>                        | <u>540,117</u>                  | <u>540,117</u>            |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> | —                               | 540,117                         | 540,117                   |
| <b>AT 31 MARCH 2017</b>                        | 100                             | (961,783)                       | <b>(961,683)</b>          |
| Loss for the year                              | <u>—</u>                        | <u>(48,362)</u>                 | <u><b>(48,362)</b></u>    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b> | —                               | (48,362)                        | <b>(48,362)</b>           |
| <b>AT 31 MARCH 2018</b>                        | <u>100</u>                      | <u>(1,010,145)</u>              | <u><b>(1,010,045)</b></u> |

The notes on pages 9 to 17 form part of these financial statements.

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2018**

### **1. GENERAL INFORMATION**

City and Country Properties (Camberley) 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 FRS 102, 'The Financial Reporting Standard applicable in 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 investment property is measured at fair value.

The financial statements have been prepared in accordance with the accounting principles appropriate to a going concern, notwithstanding the company's net liabilities and net current liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by the company's ultimate parent undertaking, Daejan Holdings PLC. Daejan Holdings PLC has considerable financial resources together with a large property portfolio and access to credit facilities. Daejan Holdings PLC has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company.

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.

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 17.

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 MARCH 2018**

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

#### **Disclosure exemptions**

The Company's ultimate parent undertaking, Daejan Holdings PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Daejan Holdings PLC are prepared in accordance with International Financial Reporting Standards (IFRS) and are available to the public and may be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

#### **Turnover**

Turnover comprises 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.

#### **Property outgoings**

The costs of repairs are recognised in the profit and loss account in the year in which they are incurred.

Lease payments under operating leases are recognised in the profit and loss account on a straight line basis over the term of the lease.

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) 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.

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

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 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.

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) 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.

#### **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.

# CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 MARCH 2018

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

##### Basic financial instruments *(Continued)*

###### 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.

Interest receivable and similar income include interest receivable on intercompany loans.

##### Related party transactions

The company has taken advantage of the exemptions in FRS102 in order to dispense with the requirements to disclose transactions with other companies in the Daejan Holdings PLC group.

#### 4. TURNOVER

Turnover arises from:

|                 | 2018          | 2017          |
|-----------------|---------------|---------------|
|                 | £             | £             |
| Rent receivable | <u>72,000</u> | <u>72,000</u> |

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

#### 5. OPERATING PROFIT

Operating profit or loss is stated after charging:

|  | 2018          | 2017          |
|--|---------------|---------------|
|  | £             | £             |
| Fees payable for the audit of the financial statements | <u>11,500</u> | <u>11,200</u> |

#### 6. PARTICULARS OF EMPLOYEES

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

The staff provided by the property and administrative management company, Highdorn Co. Limited, are engaged under joint employment contracts with a fellow subsidiary undertaking 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 (2017: £Nil).

**CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 MARCH 2018**

**7. INTEREST PAYABLE**

|                        | <b>2018</b>           | <b>2017</b>           |
|------------------------|-----------------------|-----------------------|
|                        | <b>£</b>              | <b>£</b>              |
| Group interest payable | <b><u>113,000</u></b> | <b><u>113,000</u></b> |

**8. TAX ON (LOSS)/PROFIT**

**Major components of tax expense/(income)**

|   | <b>2018</b>          | <b>2017</b>            |
|---|----------------------|------------------------|
|   | <b>£</b>             | <b>£</b>               |
| <b>Current tax:</b>                       |                      |                        |
| Consideration receivable for group relief | <b>(16,737)</b>      | <b>(15,152)</b>        |
| Prior year adjustment                     | <b><u>27,008</u></b> | <b><u>–</u></b>        |
| Total current tax                         | <b><u>10,271</u></b> | <b><u>(15,152)</u></b> |
| <b>Tax on (loss)/profit</b>               | <b><u>10,271</u></b> | <b><u>(15,152)</u></b> |

All tax is recognised in the profit and loss account.

**Reconciliation of tax expense/(income)**

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

|  | <b>2018</b>            | <b>2017</b>             |
|--|------------------------|-------------------------|
|  | <b>£</b>               | <b>£</b>                |
| (Loss)/profit on ordinary activities before taxation | <b><u>(38,091)</u></b> | <b><u>524,965</u></b>   |
| (Loss)/profit on ordinary activities by rate of tax  | <b><u>(7,237)</u></b>  | <b><u>104,993</u></b>   |
| Adjustment to tax charge in respect of prior periods | <b><u>27,008</u></b>   | <b><u>–</u></b>         |
| Effect of expenses not deductible for tax purposes   | <b><u>–</u></b>        | <b><u>6,455</u></b>     |
| Timing differences on unrealised gains               | <b><u>(11,020)</u></b> | <b><u>(126,600)</u></b> |
| Other differences                                    | <b><u>1,520</u></b>    | <b><u>–</u></b>         |
| Tax on (loss)/profit                                 | <b><u>10,271</u></b>   | <b><u>(15,152)</u></b>  |

**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.



# CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

### 9. INVESTMENT PROPERTIES

|                         | Freehold<br>property<br>£ |
|-------------------------|---------------------------|
| <b>Fair value</b>       |                           |
| At 1 April 2017         | 1,990,093                 |
| Disposals               | (750,000)                 |
| Revaluations            | 58,000                    |
| <b>At 31 March 2018</b> | <b>1,298,093</b>          |
| <b>Carrying amount</b>  |                           |
| <b>At 31 March 2018</b> | <b>1,298,093</b>          |
| At 31 March 2017        | 1,990,093                 |

#### 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).

The aggregate professional valuations included in the above table have been reduced by an amount of £1,907 (2017: £9,907) relating to lease incentives included in trade debtors.

#### Valuation techniques and key inputs

The company's commercial units (£1.3 million, 2017: £2.0 million) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. The equivalent yield used was 6.04% (2017: 5.44%) and estimated rental values was £8.51 per square foot (2017: £9.27).

#### Historical cost model

The historical cost of investment properties at 31 March 2018 is £862,248 (2017: £1,098,337).

### 10. DEBTORS

|                                    | 2018<br>£     | 2017<br>£     |
|------------------------------------|---------------|---------------|
| Trade debtors                      | 1,907         | 14,259        |
| Amounts owed by group undertakings | –             | 18,383        |
| Other debtors                      | 18,283        | 19,599        |
|                                    | <b>20,190</b> | <b>52,241</b> |

All debtors are repayable within one year or are repayable on demand. All intra-group loans are sterling loans with interest paid at the rate of 3.84% (2017: 3.94%).

# CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

**YEAR ENDED 31 MARCH 2018**

### 11. CREDITORS: amounts falling due within one year

|                                    | 2018             | 2017             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | 18,462           | 20,328           |
| Amounts owed to group undertakings | 2,286,149        | 2,959,717        |
| Social security and other taxes    | 3,640            | 4,414            |
| Other creditors                    | 44,114           | 43,592           |
|                                    | <u>2,352,365</u> | <u>3,028,051</u> |

All intra-group loans are sterling loans repayable on demand with interest paid at the rate of 3.84% (2017: 3.94%).

### 12. CALLED UP SHARE CAPITAL

**Issued, called up and fully paid**

|                            | 2018       |            | 2017       |            |
|----------------------------|------------|------------|------------|------------|
|                            | No.        | £          | No.        | £          |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

### 13. 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.

### 14. COMMITMENTS UNDER OPERATING LEASES

**As lessor**

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

|  | 2018          | 2017          |
|--|---------------|---------------|
|  | £             | £             |
| Not later than 1 year                        | 18,849        | 80,000        |
| Later than 1 year and not later than 5 years | —             | 18,849        |
|  | <u>18,849</u> | <u>98,849</u> |

### 15. RELATED PARTY TRANSACTIONS

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

Mr BSE Freshwater and Mr D Davis are also Trustees of the parent undertaking of FPM, but have no beneficial interest in that company.

Transactions with Highdorn during the year are disclosed in Note 6.

In their capacity as property managing agents, FPM collects rents and incurs direct property expenses on behalf of the company. During the year £2,172 (2017: £2,165), was payable to FPM for these services which were charged for at normal commercial rates. The amount owing to FPM at 31 March 2018 for these services is £480 (2017: £1,232).

# **CITY AND COUNTRY PROPERTIES (CAMBERLEY) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

### **YEAR ENDED 31 MARCH 2018**

#### **16. PARENT COMPANY AND CONTROLLING PARTY**

The company is controlled by its immediate parent undertaking, City and Country Properties Limited, a company registered in England and Wales.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up is Daejan Holdings PLC, a company registered in England and Wales.

Copies of financial statements of Daejan Holdings PLC can be obtained from the following address:

Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking and controlling party is Daejan Holdings PLC.

#### **17. 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 9). 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.