PONTELAND PROPERTIES LIMITED

Company No: 4828071

FINANCIAL STATEMENTS

for the year ended

31ST MARCH 2006

COHEN ARNOLD
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
LONDON NW11 0PU



PONTELAND PROPERTIES LIMITED

DIRECTORS

M R M Jenner F.C.I.S.
R Hedden
L M Hyman

SECRETARY

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

REGISTERED OFFICE

Freshwater House
158-162 Shaftesbury Avenue
LONDON WC2H 8HR

AUDITORS

Cohen Arnold
New Burlington House
1075 Finchley Road
LONDON NW11 0PU

PONTELAND PROPERTIES LIMITED

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FOR THE YEAR ENDED 31ST MARCH 2006

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PONTELAND PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report, together with the Financial Statements of the Company for the year ended 31st March 2006.

BUSINESS REVIEW

Ponteland Properties Limited is a Holding Company and neither the company nor its subsidiary undertaking has been active in the year under review.

DIVIDEND

The Directors do not recommend the payment of a dividend for the year under review.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served throughout the year and who are still in office are:

Mr M R M Jenner
Mr R Hedden
Mr L M Hyman

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 whole of the issued share capital of the Company is owned by Ponteland Limited. At 31st March 2006, neither of the Directors had any interest in the share and loan capital of the Company or the Company's Parent Undertaking.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

i) select suitable accounting policies and apply them consistently

ii) make judgements and estimates that are reasonable and prudent

DIRECTORS' RESPONSIBILITIES (Cont'd)

iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements

iv) 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. 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.

INCOME AND CORPORATION TAXES ACT 1988

The Directors are advised that the Company is a close company within the meaning of the Act.

AUDITORS

The auditors, Cohen Arnold, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

Head Office:
Freshwater House
158-162 Shaftesbury Avenue
London WC2H 8HR

M R M JENNER
Secretary

Date: 25 July 2006

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

PONTELAND PROPERTIES LIMITED

We have audited the Financial Statements of Ponteland Properties Limited for the year ended 31st March 2006 which comprise the Balance Sheet and related notes. The financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 1 and 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the Financial Statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS

- OF -

PONTELAND PROPERTIES LIMITED
(Continued)

OPINION

In our opinion:

- the Financial Statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 31st March 2006 and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the Financial Statements.

New Burlington House
1075 Finchley Road
London NW11 0PU

COHEN ARNOLD
Chartered Accountants and
Registered Auditors

Our audit was completed on 25 July 2006 and our opinion was expressed at that date.

PONTELAND PROPERTIES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2006

	Note	£	2006 £	£	2005 £
FIXED ASSETS					
Investment in Subsidiary Undertakings	2		**1,544,525**		1,432,782
CURRENT ASSETS					
Debtors	3	-		90,842	
CREDITORS: Amounts falling due within one year	4	**(20,901)**		-	
NET CURRENT (LIABILITIES)/ ASSETS			**(20,901)**		90,842
NET ASSETS			**1,523,624**		1,523,624
CAPITAL AND RESERVES					
Called-up Share Capital	5		**1,523,624**		1,523,624
			1,523,624		1,523,624

The Financial Statements were approved by the Board on 25 July 2006 and signed on its behalf by:

.....

L M HYMAN
Director

The notes on pages 6 to 8 form part of this Financial Statement.

1. PRINCIPAL ACCOUNTING POLICIES

The following is a statement of the Principal Accounting Policies of the Company:

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The Directors have received an assurance that the Ultimate Parent Undertaking, Daejan Holdings PLC, will continue to provide such resources as are required by the Company to enable it to meet its obligations as they fall due. On the basis of this assurance the Financial Statements have been prepared on a going-concern basis.

1.2 FRS 21 – EVENTS AFTER BALANCE SHEET DATE

During the year the company adopted FRS 21 Events after the balance sheet date which superseded SSAP17. Under the new standard, final dividends payable are recognised only in the period in which they are declared and therefore become a liability and interim dividends are recognised in the period in which they are paid, whereas under SSAP 17 dividends were accrued for when proposed.

1.3 FINANCIAL INSTRUMENT

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.

2. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2006	2005
	£	£
Shares at Cost (Note 8)	**1,432,782**	1,432,782
Additions	**111,743**	-
At 31st March 2006	**1,544,525**	1,432,782

3. DEBTORS

	2006 £	2005 £
Amounts due from Immediate Parent Undertaking	-	90,842
	-	90,842

4. CREDITORS

	2006 £	2005 £
Amounts due to Immediate Parent Undertaking	**20,901**	-
	20,901	-

5. CALLED UP SHARE CAPITAL

	2006 £	2005 £
Authorised		
2,000,000 Ordinary Shares of £1 each	**2,000,000**	2,000,000
Issued and Fully Paid		
1,534,624 Ordinary Shares of £1 each	**1,523,624**	1,523,624

6. PROFIT AND LOSS ACCOUNT

No Profit and Loss Account has been prepared as the Company has not received any income nor incurred any expenditure during the year.

7. ULTIMATE PARENT UNDERTAKING

The Company's Ultimate Parent Undertaking is Daejan Holdings PLC, a company incorporated in the United Kingdom and registered in England and Wales.

The Parent Undertaking of the largest group of undertakings for which group Financial Statements are drawn up is Daejan Holdings PLC and the Parent of the smallest group of undertakings for which group Financial Statements are drawn up is City and Country Properties Limited.

Copies of these Financial Statements can be obtained from Freshwater House, 158-162 Shaftesbury Avenue, London, WC2H 8HR.

8. PRINCIPAL SUBSIDIARY UNDERTAKING

The Company's wholly owned Subsidiary Undertaking, incorporated in Great Britain and registered in England and Wales is:-

J2C PLC

Group Financial Statements have not been prepared as the Company is a wholly owned subsidiary undertaking of City and Country Properties Limited, a Company incorporated in Great Britain and registered in England and Wales. However, Group Financial Statements are prepared by the parent undertaking - City and Country Properties Limited.

The share capital together with the revenue and capital reserves at 31st March 2006 and the profit of the subsidiary for the year then ended is as follows:

	2006		2005	
	Share Capital and Reserves £'000	**Profit/(Loss) for the Year £'000**	Share Capital and Reserves £'000	Profit/(Loss) for the Period £'000
J2C PLC	**714,267**	**23,375**	690,892	(41,308)