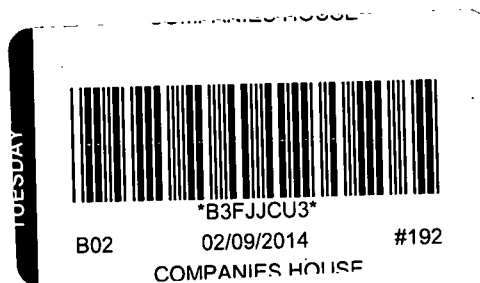


Report of the Directors and
Financial Statements
for the Year Ended 31 March 2014
for
Rendlesham Estates plc



Contents of the Financial Statements
for the Year Ended 31 March 2014

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9

Rendlesham Estates plc

Company Information
for the Year Ended 31 March 2014

DIRECTORS:

M J Walter
Mrs T J C Webb

SECRETARY:

M J Walter

REGISTERED OFFICE:

Cedar House
6A Court Close
Bray
Maidenhead
Berkshire
SL6 2DL

REGISTERED NUMBER:

02781375 (England and Wales)

AUDITORS:

A C Mole & Sons
Chartered Accountants
& Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

SOLICITORS:

Gordons Solicitors LLP
Winter Hill House
Marlow Reach
Station Approach
Marlow
Buckinghamshire
SL7 1NT

Report of the Directors
for the Year Ended 31 March 2014

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

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of providing and maintaining flats and dwelling houses.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

During the financial year the company continued to benefit from good occupancy levels with the majority of the apartments at the The Old Coalyard, Ascot House and Eton House let to corporate clients.

The company continues to retain our long leasehold reversionary interest in Gosfield Street, London W1.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the company.

FUTURE DEVELOPMENTS

The Company will continue with the primary activity of locating and acquiring properties suitable for residential letting, and is exploring further joint ventures in the development field.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

M J Walter
Mrs T J C Webb

The directors holding office at 31 March 2014 did not hold any beneficial interest in the issued share capital of the company at 1 April 2013 or 31 March 2014.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

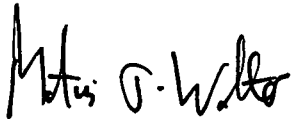
Report of the Directors
for the Year Ended 31 March 2014

AUDITORS

The auditors, A C Mole & Sons, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M J Walter - Director

Date: *1st August 2014*
.....

Report of the Independent Auditors to the Members of Rendlesham Estates plc

We have audited the financial statements of Rendlesham Estates plc for the year ended 31 March 2014 on pages six to fifteen. 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 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 a Report of the Auditors 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 Report of the Directors 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 profit 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Rendlesham Estates plc**

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 or in preparing the Report of the Directors.

m d s Perry

Michael Perry BSc FCA (Senior Statutory Auditor)
for and on behalf of A C Mole & Sons
Chartered Accountants
& Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 26/8/14

Rendlesham Estates plc (Registered number: 02781375)

Profit and Loss Account
for the Year Ended 31 March 2014

	Notes	2014 £	£	2013 £	£
TURNOVER			346,997		320,053
Cost of sales			<u>35,788</u>		<u>31,497</u>
GROSS PROFIT			311,209		288,556
Administrative expenses			<u>210,049</u>		<u>82,288</u>
OPERATING PROFIT	3		101,160		206,268
Income from shares in group undertakings		-		1,270	
Income from participating interests		(11,007)		(44,400)	
Interest receivable and similar income		-		868	
			<u>(11,007)</u>		<u>(42,262)</u>
			90,153		164,006
Interest payable and similar charges	4		<u>87,239</u>		<u>98,925</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,914		65,081
Tax on profit on ordinary activities	5		<u>-</u>		<u>-</u>
PROFIT FOR THE FINANCIAL YEAR			<u>2,914</u>		<u>65,081</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

Rendlesham Estates plc (Registered number: 02781375)

Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2014

	2014 £	2013 £
PROFIT FOR THE FINANCIAL YEAR	2,914	65,081
Unrealised surplus on revaluation of properties	420,979	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	423,893	65,081
	<hr/> <hr/>	<hr/> <hr/>

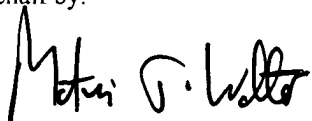
The notes form part of these financial statements

Rendlesham Estates plc (Registered number: 02781375)

Balance Sheet
31 March 2014

		2014	2013
	Notes	£	£
FIXED ASSETS			
Tangible assets	7	6,470,399	6,234,794
Investments	8	10,000	10,000
		<u>6,480,399</u>	<u>6,244,794</u>
CURRENT ASSETS			
Debtors	9	235,555	283,219
Cash at bank		4,462	5,308
		<u>240,017</u>	<u>288,527</u>
CREDITORS			
Amounts falling due within one year	10	393,716	498,122
NET CURRENT LIABILITIES		<u>(153,699)</u>	<u>(209,595)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,326,700	6,035,199
CREDITORS			
Amounts falling due after more than one year	11	(4,265,663)	(4,398,055)
PROVISIONS FOR LIABILITIES	14	<u>(165)</u>	<u>(165)</u>
NET ASSETS		<u><u>2,060,872</u></u>	<u><u>1,636,979</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	1,107,810	1,107,810
Share premium	16	5,632	5,632
Revaluation reserve	16	926,882	505,903
Profit and loss account	16	20,548	17,634
SHAREHOLDERS' FUNDS	20	<u><u>2,060,872</u></u>	<u><u>1,636,979</u></u>

The financial statements were approved by the Board of Directors on 1st August 2014 and were signed on its behalf by:



M J Walter - Director



Mrs T J C Webb - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2014

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced rents and service charges, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Property	- See Below
Computer equipment	- 25% on cost

The property from which the company operates has been revalued with the other properties and is not depreciated as it is considered that depreciation would be immaterial. Annual impairment reviews are undertaken in respect of this property to ensure its carrying value can be supported.

Investment properties

In accordance with Statement of Standard Accounting Practice (SSAP) 19 no depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investment properties are revalued annually and shown in the accounts at valuation. Net surpluses are credited to the revaluation reserve.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

As required by Financial Reporting Standard 19 no deferred tax is provided on revaluation gains unless there exists a binding agreement to sell the asset.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	128,440	89,483
Social security costs	4,194	151
	<hr/>	<hr/>
	132,634	89,634
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

2. STAFF COSTS - continued

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

	2014	2013
Directors	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

The highest paid director is as follows:

	2014 £	2013 £
Salary	<u>80,875</u>	<u>80,903</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Loss/(profit) on disposal of fixed assets	11,345	(72,011)
Auditors remuneration	<u>6,540</u>	<u>7,140</u>
Directors' remuneration	<u>102,210</u>	<u>80,903</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank loan interest	72,057	81,000
Inter-company loan interest	7,000	12,000
Other interest	<u>8,182</u>	<u>5,925</u>
	<u>87,239</u>	<u>98,925</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2014 nor for the year ended 31 March 2013.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>2,914</u>	<u>65,081</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	583	13,016
Effects of:		
Expenses not deductible for tax purposes	-	138
Losses carried forward	(583)	6,087
Income not chargeable to corporation tax	-	(14,656)
Difference between Associates accounting and tax loss.	-	(2,584)
Wear and tear allowance	-	(2,001)
Capital Allowances	-	-
Current tax charge	<u>-</u>	<u>-</u>

6. DIVIDENDS

	2014 £	2013 £
Ordinary Shares shares of £1 each		
Interim	<u>-</u>	<u>101,000</u>

7. TANGIBLE FIXED ASSETS

	Investment Property £	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 April 2013	6,009,794	225,000	869	11,998	6,247,661
Disposals	(140,463)	-	-	-	(140,463)
Revaluations	351,068	25,000	-	-	376,068
At 31 March 2014	<u>6,220,399</u>	<u>250,000</u>	<u>869</u>	<u>11,998</u>	<u>6,483,266</u>
DEPRECIATION					
At 1 April 2013 and 31 March 2014	<u>-</u>	<u>-</u>	<u>869</u>	<u>11,998</u>	<u>12,867</u>
NET BOOK VALUE					
At 31 March 2014	<u>6,220,399</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>6,470,399</u>
At 31 March 2013	<u>6,009,794</u>	<u>225,000</u>	<u>-</u>	<u>-</u>	<u>6,234,794</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2014**

7. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 March 2014 is represented by:

	Investment Property £	Leasehold Property £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2014	874,974	51,908	-	-	926,882
Cost	5,345,425	198,092	869	11,998	5,556,384
	<u>6,220,399</u>	<u>250,000</u>	<u>869</u>	<u>11,998</u>	<u>6,483,266</u>

Properties were valued on an open market basis on 31 March 2014 by the directors.

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2013 and 31 March 2014	<u>10,000</u>
NET BOOK VALUE	
At 31 March 2014	<u>10,000</u>
At 31 March 2013	<u>10,000</u>

The fixed asset investment represents a 100% interest in The Old Coalyard LLP. The partnership provides lettings of short term serviced accommodation.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	5,344	-
Other debtors	230,211	283,219
	<u>235,555</u>	<u>283,219</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Social security and other taxes	1,572	1,945
Other creditors	241,137	209,777
Minority interest	-	92,000
Amounts owed to group undertakings	151,007	194,400
	<u>393,716</u>	<u>498,122</u>

The minority interest represents a 6% stake in six properties owned by the company.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Bank loans (see note 12)	<u>4,265,663</u>	<u>4,398,055</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2014	2013
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans	<u>4,265,663</u>	<u>4,398,055</u>

The bank loans falling due after more than 5 years are interest only at a rate linked to LIBOR for some of the mortgages and a rate linked to the Bank of England Base Rate for the remainder.

13. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank loans	<u>4,265,663</u>	<u>4,398,055</u>

The banks have security by way of a first charge over 24 properties owned by the company for any advance made to the company by them.

14. PROVISIONS FOR LIABILITIES

	2014	2013
	£	£
Deferred tax provision	<u>165</u>	<u>165</u>

	Deferred tax
	£
Balance at 1 April 2013	165
Accelerated capital allowances	
Balance at 31 March 2014	<u>165</u>

Unprovided deferred tax on property revaluations at the year end is as follows:

	£
Unprovided deferred tax	<u>185,376</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2014**

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
1,107,810	Ordinary Shares	£1	<u>1,107,810</u>	<u>1,107,810</u>

16. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2013	17,634	5,632	505,903	529,169
Profit for the year	2,914			2,914
Realisation of revaluation surplus	-	-	44,911	44,911
Revaluation in year	-	-	376,068	376,068
At 31 March 2014	<u>20,548</u>	<u>5,632</u>	<u>926,882</u>	<u>953,062</u>

17. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of Rendlesham Park Properties Limited, a company registered in England and Wales.

Copies of the group accounts can be obtained from Companies House, Crown Way, Cardiff.

18. RELATED PARTY DISCLOSURES

The Old Coalyard LLP

Subsidiary

During the year the company provided services to The Old Coalyard LLP to the value of £118,200 (2012: £178,500) for rent and a cross charge of wages of £45,532 (2013: £80,202).

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>51,007</u>	<u>44,400</u>

Rendlesham Park Properties Limited

Parent Company

During the year interest on loans of £7,000 (2012: £12,000) and management charges of £36,000 (2012: £36,000) were charged by Rendlesham Park Properties Limited.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>100,000</u>	<u>150,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2014

18. RELATED PARTY DISCLOSURES - continued

Chelsmore Properties Limited

The directors control 50% of Chelsmore Properties Limited

During the year Chelsmore Properties Limited recharged director's salaries amounting to £80,875 (2012: £80,903) to Rendlesham Estates plc.

	2014	2013
	£	£
Amount due from related party at the balance sheet date	<u>22,000</u>	<u>75,000</u>

Mrs T J C Webb

During the year a property with a market value of £175,000 was sold to Mrs TJC Webb.

19. ULTIMATE CONTROLLING PARTY

The Directors control 70.84% of Rendlesham Park Properties Limited.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	2,914	65,081
Dividends	-	(101,000)
	<u>2,914</u>	<u>(35,919)</u>
Other recognised gains and losses relating to the year (net)	420,979	-
	<u>423,893</u>	<u>(35,919)</u>
Net addition/(reduction) to shareholders' funds	1,636,979	1,672,898
Opening shareholders' funds	<u>2,060,872</u>	<u>1,636,979</u>
Closing shareholders' funds	<u>2,060,872</u>	<u>1,636,979</u>