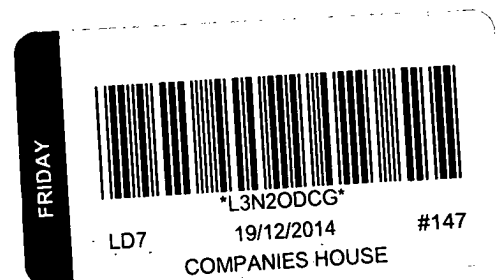


ARUN PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014



ARUN PROPERTY INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	P A Rooney B T Matthews C Rooney
Company secretary	C A Coxon
Registered number	3527607
Registered office	St Leonard's House North Street Horsham West Sussex RH12 1RJ
Independent auditors	Warrener Stewart Chartered Accountants Harwood House 43 Harwood Road London SW6 4QP

ARUN PROPERTY INVESTMENTS LIMITED

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ARUN PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements for the year ended 30 September 2014.

Results

The profit for the year, after taxation, amounted to £408,229 (2013 - £185,245).

Directors

The directors who served during the year were:

P A Rooney
B T Matthews
C Rooney

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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activities

The principal activity of the company is the letting of properties to group companies.

Fair review of the business

The company made a profit before taxation of £461,794 during the year compared to £242,842 in the year to 30 September 2013. The result for 2014 included a surplus on the revaluation of previously written down properties. After taking into account the property revaluation surplus, this result is comparable to the previous year and in line with the directors' expectations.

ARUN PROPERTY INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014

Development and performance of the business

The company has continued to perform to expectations during the year.

Future developments of the business

Since the year end the company has continued to trade profitably. The directors are confident that the coming financial year will produce a satisfactory performance.

Position of the company at the year end

At the year end the company had net assets of £2,411,045 (2013: £1,314,283)

Description of principal risk and uncertainties

The principal risk to the business is the continued requirement of the properties to be utilised by group companies. The level of this requirement is dependent upon the trading conditions of these companies to whom the principal risk is the health of the UK residential property market.

Fixed assets

The fixed assets are summarised in the notes to the financial statements.

The directors do not consider the market value of freehold properties to be materially different to their net book value.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
C A Coxon
Secretary

Date: 17 December 2014

ARUN PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUN PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Arun Property Investments Limited for the year ended 30 September 2014, set out on pages 5 to 12. 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 an Auditors' 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 directors and auditors

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. 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 Directors' 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 30 September 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

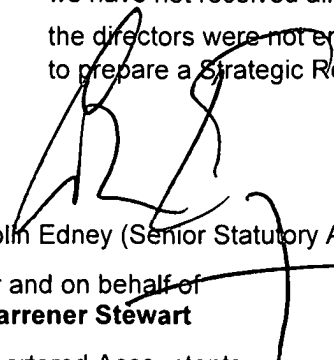
ARUN PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARUN PROPERTY INVESTMENTS LIMITED

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.



Colin Edney (Senior Statutory Auditor)

for and on behalf of
Warrener Stewart

Chartered Accountants

Harwood House
43 Harwood Road
London
SW6 4QP

17 December 2014

ARUN PROPERTY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 £	2013 £
Turnover	1	252,642	245,849
Administrative expenses		(5,315)	(5,177)
Operating profit	3	247,327	240,672
Exceptional item			
Surplus on revaluation of freehold properties	6	214,467	-
Profit on ordinary activities before interest		461,794	240,672
Interest receivable and similar income	5	-	2,170
Profit on ordinary activities before taxation		461,794	242,842
Tax on profit on ordinary activities	7	(53,565)	(57,597)
Profit for the financial year	12	408,229	185,245

All amounts relate to continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

ARUN PROPERTY INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £	2013 £
Profit for the financial year	408,229	185,245
Unrealised surplus on revaluation of tangible fixed assets	<u>688,533</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>1,096,762</u>	<u>185,245</u>

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

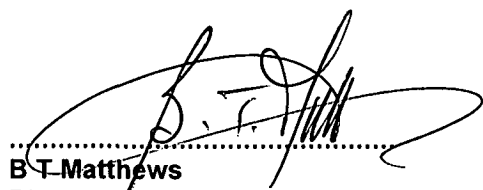
The notes on pages 8 to 12 form part of these financial statements.

ARUN PROPERTY INVESTMENTS LIMITED
REGISTERED NUMBER: 3527607

BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	8		3,722,590		2,766,975
Current assets					
Debtors	9	6,618		4,193	
Cash at bank		-		5,945	
		<u>6,618</u>		<u>10,138</u>	
Creditors: amounts falling due within one year	10	<u>(1,318,163)</u>		<u>(1,462,830)</u>	
Net current liabilities			<u>(1,311,545)</u>		<u>(1,452,692)</u>
Net assets			<u><u>2,411,045</u></u>		<u><u>1,314,283</u></u>
Capital and reserves					
Called up share capital	11		1		1
Revaluation reserve	12		1,065,462		376,929
Profit and loss account	12		<u>1,345,582</u>		<u>937,353</u>
Shareholders' funds	13		<u><u>2,411,045</u></u>		<u><u>1,314,283</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


B.T. Matthews
 Director

Date: 17 December 2014

ARUN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises rent receivable, exclusive of Value Added Tax.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- Nil
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Given the useful lives of the company's freehold properties and the high standard to which they are maintained, it is the opinion of the directors that the residual values are sufficiently high to make any depreciation charge immaterial.

The useful economic life of freehold properties is reviewed at the end of each financial reporting period and revised if expectations are significantly different from previous estimates.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

ARUN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

2. Turnover

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2014 £	2013 £
Auditors' remuneration	2,230	2,295
Other operating charges	3,085	2,882
	<u> </u>	<u> </u>

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

5. Interest receivable

	2014 £	2013 £
Bank interest receivable	-	2,170
	<u> </u>	<u> </u>

6. Exceptional items

	2014 £	2013 £
Surplus on revaluation of properties	214,467	-
	<u> </u>	<u> </u>

7. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	54,100	57,600
Adjustments in respect of prior periods	(535)	(3)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	<u>53,565</u>	<u>57,597</u>

ARUN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - higher than) the standard rate of corporation tax in the UK of 22% (2013 - 23.5%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>461,794</u>	<u>242,842</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013 - 23.5%)	101,595	57,068
Effects of:		
Adjustments to tax charge in respect of prior periods	(535)	(3)
Surplus on revaluation of freehold properties	(47,183)	-
(Under)/overprovision for the year	(312)	532
Current tax charge for the year (see note above)	<u><u>53,565</u></u>	<u><u>57,597</u></u>

8. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 October 2013	2,766,975
Additions	52,615
Revaluation losses written back	214,467
Revaluation surplus/(deficit)	688,533
At 30 September 2014	<u>3,722,590</u>
Depreciation	
At 1 October 2013 and 30 September 2014	-
Net book value	
At 30 September 2014	<u><u>3,722,590</u></u>
At 30 September 2013	<u><u>2,766,975</u></u>

The historic cost of freehold properties at the year end was £2,972,248 (2013: £2,919,633).

The properties were revalued to open market value by a chartered surveyor as at 30 September 2014.

ARUN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

9. Debtors

	2014 £	2013 £
Trade debtors	6,618	4,193

10. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	390	-
Amounts owed to group undertakings	1,202,718	1,341,583
Corporation tax	54,100	57,600
Other taxation and social security	1,997	1,979
Accruals and deferred income	58,958	61,668
	1,318,163	1,462,830

11. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

12. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 October 2013	376,929	937,353
Profit for the financial year	-	408,229
Surplus on revaluation of freehold property	688,533	-
At 30 September 2014	1,065,462	1,345,582

ARUN PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2014

13. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	1,314,283	1,129,038
Profit for the financial year	408,229	185,245
Surplus on revaluation of freehold property	688,533	-
Closing shareholders' funds	2,411,045	1,314,283

14. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Arun Estate Agencies Limited, a company registered in England.

The ultimate controlling party is P A Rooney, who owns 100% of the ordinary share capital of Arun Estate Agencies Limited.