



*d*AEJAN

HOLDINGS LIMITED

Annual Report & Accounts

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CHAIRMAN'S INTRODUCTION



I am pleased to present the results for the year ended 31st March 2023.

This has been a challenging year with the Group facing the combined headwinds of sluggish economic growth, record levels of inflation and rapidly rising interest rates. These factors have resulted in a loss before tax for the year of £41.0 million (2022 – £159.7 million profit). Shareholders' funds have reduced by 1.4% to £1,928.8 million (2022 – 2.9% increase).

We believe that "underlying profit", which removes fluctuations in unrealised fair value movements, presents a better view of the year on year performance of the business. As set out on page 27 and in note 23 to the accounts on page 85, the underlying profit for the year was £47.2 million compared to £53.9 million in 2022.

In the UK we saw growth of 2.4% in overall rental income (2022 – 0.1% reduction). This arose particularly on residential properties where sustained demand has enabled rent increases and reduced vacancies. The results for commercial properties have been more mixed.

In the USA we have achieved overall rental growth of 6.0%. This arose on most properties except for those in New York City where the market is restricted by rent controls. Growth in rental income from our Florida properties has been particularly encouraging.

In both the UK and USA rising interest rates during the period have increased yields and depressed capital values. The one bright spot was Florida, where the general downward pressure on capital values was offset by continuing strong demand.

“
*Our focus will remain the
achievement of long term, low risk growth
in asset value and rental income.*
”

Now that the uncertainty of the Covid-19 pandemic is largely behind us we have recommenced our programmes of refurbishment and development of residential units in the UK. In the USA we have concentrated our improvement expenditure on the newer purchases in Florida.

Outlook

The immediate outlook for the UK is for little or no growth in GDP and the possibility of further rises in interest rates; inflation seems to be on a downward path albeit slowly. Background conditions do seem to be more favourable in the USA.

The Covid-19 pandemic is likely to leave a lasting impact on the demand for commercial property. Working from home has become established and shows every sign of continuing to be widespread. This will inevitably reduce the need which office tenants have for space.

We will continue to be cautious in managing the risks which we face while standing ready to seize the opportunities that present themselves. Our focus will remain the achievement of long term, low risk growth in asset value and rental income.

As ever, my thanks go to our hard working staff for their efforts during the year.

B S E Freshwater
Chairman

Front cover: Ashworth
Mansions, London W9.
Inside front cover and
page 1: 30 Kensington
Church Street,
London W8. Above and
right: Strand Palace Hotel,
London WC2.

FINANCIAL HIGHLIGHTS

NET VALUATION LOSS

£90.2 million

2022: gain of £101.1 million

LOSS BEFORE TAX

£41.0 million

2022: profit of £159.7 million

LOSS PER SHARE

£1.92

2022: earnings of £3.53

SHAREHOLDERS' FUNDS

£1,928.8 million

2022: £1,955.6 million

SHAREHOLDERS' FUNDS PER SHARE

£118.36*

2022: £120.01*

GEARING

24.5%*

2022: 23.6%*

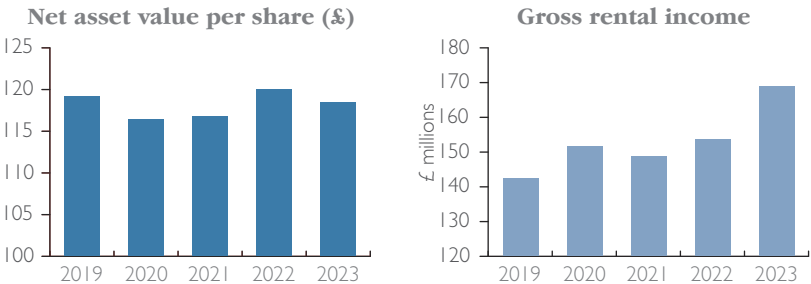
*Definitions of these alternative performance measures are included on pages 85 and 86.

STRATEGIC REPORT



Objectives

For many years we have focussed on the pursuit of the Group's objective of achieving long term, low risk growth in net asset value and rental income, and in prudently growing our dividends.



Strategy

The strategy for achieving our objectives has three principal elements:

- Management of our property portfolio to maximise net rental income and thereby enhance capital values
- Identification and completion of value enhancing development opportunities within our portfolio
- Identification and completion of new property acquisitions which have the potential, through development or otherwise, for long term enhancement to net asset value

In pursuing this strategy we take the view that property is a long term business which does not always fit conveniently into the annual reporting cycle. Development opportunities, in particular, can take many years from first idea to first letting and will often involve substantial investment over a period of years before any gain is achieved. We carefully monitor our exposure to ensure that the impact on our resources remains manageable.

Business model

The main activity of the Group, as carried on through its subsidiary companies, is investment in commercial, industrial and residential property in the UK and also on the eastern seaboard of the USA.



Above and opposite page:
Ashworth Mansions,
London W9. Right:
Beaumont Court,
London W4.





STRATEGIC REPORT continued

The Group 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.

The Group operates a substantially outsourced business model. Day-to-day management of the Group's properties in the UK is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. These companies also provide the staff who carry out all of the UK functions of the Group. Further details of the relationship with these companies are set out in Note 18 to the financial statements.

Similar arrangements with local managing agents operate in the USA.

Managing risk

Whilst retaining an entrepreneurial culture, the Group has a low appetite for risk. This underpins our approach to all aspects of the business and is appropriate to our strategic objective of delivering long term, low risk growth in net asset value per share.

The Board has undertaken a robust assessment of the principal and emerging risks facing the Group, by reviewing detailed risk reports, including those risks threatening its business model, future performance, solvency and liquidity.

In relation to financial instrument risk, the Group operates a cautious financial policy on a non-speculative and long term basis in order to enable the Group to carry on its business in confidence and with strength. The Group aims to ensure that the cost of capital is kept to a minimum through the maintenance of its many long standing relationships with leading banks and other financial institutions. The Group seeks to minimise the risk of sudden or unexpected rises in finance costs by way of fixed rate debt and financial derivative instruments whilst retaining some flexibility in relation to short term interest rates. As explained in Note 1(g) to the financial statements, the Group does not hedge account. Note 17 to the financial statements details the Group's exposure to the various financial instrument risks.

Managing risk has been central to the success of the Group over many years and in particular gearing has been kept at a relatively low level for the property industry; currently gearing is 24.5% (2022 - 23.6%).



This page and opposite
page: 30 Kensington
Church Street,
London W8.

STRATEGIC REPORT continued



The Board recognises that, in common with all companies, it can only have limited control over many of the external risks which it faces. The largest of such “uncontrollable” factors is the economic cycle which has a major impact on the demand for and price of property and the ability of the Group to achieve its strategic objectives.

The principal risks facing the Group are described in the following paragraphs together with the steps which are taken to mitigate and manage them.

External risks

Economic outlook

In the UK the economic outlook is for weak growth at best with interest rates continuing to rise as the Bank of England struggles to control the rate of inflation which is on a slow downward path. In the USA it is predicted that GDP growth will decelerate with a risk of recession in late 2023 or 2024.

Although the restrictions put in place during the Covid-19 pandemic have now ceased, “working from home” has now become an established feature of business life which will clearly have an impact on the future demand for office space.

We also face political uncertainty at both the international and UK levels as a consequence of the Russian invasion of Ukraine and the prospect of a general election in both the UK and the USA.

The decision by the United Kingdom to leave the European Union continues to have a negative impact on the business.

This is the background which provides the risks and opportunities both for our residential tenants and also for the businesses of our commercial tenants and their demand for space.

We seek to mitigate and manage such risk by:

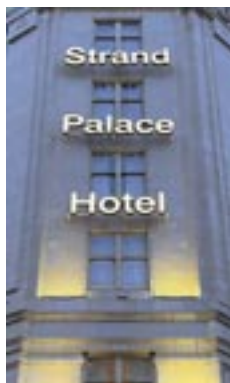
- Continuous monitoring of the economic outlook and asset allocation
- Continued maintenance of low gearing and the conservation of cash and bank facilities
- Rigorous tenant covenant checks including independent assessments for major lettings; in the case of smaller properties we undertake such checking as is appropriate
- Enhanced rent collection effort to minimise the possibility of bad debts



This page and opposite page: The Mount, 76 Bedford Gardens, London W8.



STRATEGIC REPORT continued



Availability of finance on acceptable terms

In order to undertake significant acquisitions or projects of development and value enhancement within our portfolio, the Group relies in part on funding from the UK and USA property finance market. At present our experience shows that suitable finance can be obtained on acceptable terms. Nevertheless any reduction in the availability of finance for property at an acceptable cost and for an appropriate period would adversely affect the Group's ability to undertake acquisitions and major schemes of redevelopment and refurbishment. We are at an advanced stage of negotiating new facilities which will enable us to repay existing facilities totalling £275 million which expire in the first quarter of 2024.

We seek to mitigate and manage this risk by:

- Ensuring that the properties which we invest in are, in our opinion, likely to maintain their value
- Monitoring funding trends and the development of banking regulations
- Sustaining relationships with our principal financing partners, both banks and also other lending institutions
- Securing term finance facilities to meet our foreseeable requirements
- Ensuring that the maturities of major loan arrangements are spread over a period of years
- Continuing to seek to use financial instruments to fix or cap interest rates

Movements in currency rates of exchange

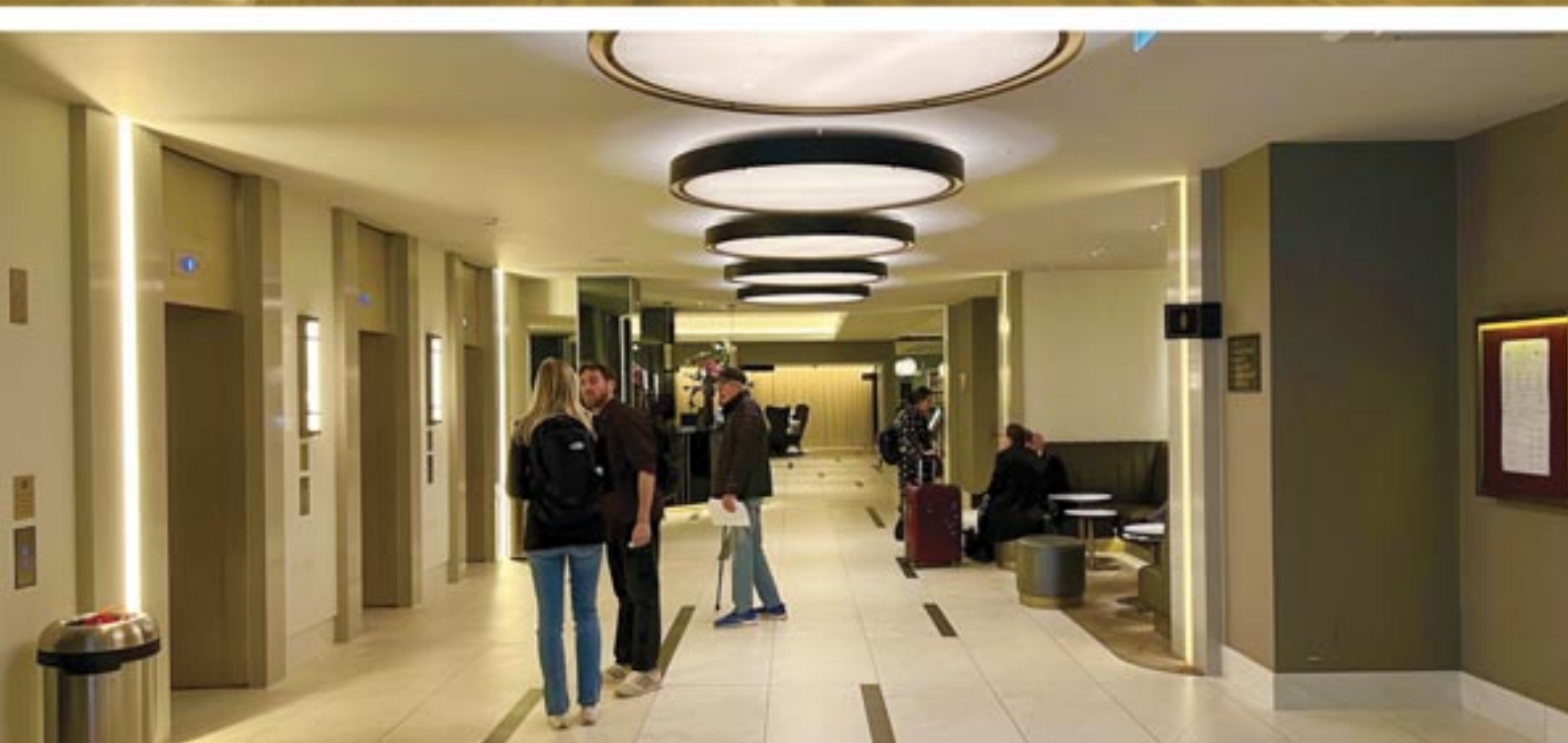
With 31% by value of the Group's property portfolio located in the USA, any significant movement in the US dollar/sterling rate of exchange will impact our reported results. The fall in the value of sterling relative to the US dollar in the financial year was 6% (2022 – fall of 4%). This has had the effect of increasing the reported value of our USA net assets. The average exchange rate for the year fell by 12% (2022 – 5% rise) and its impact on the reported USA results is not material.

We mitigate and manage this risk by:

- Funding US assets by US dollar borrowings and local retained earnings. This means that the impact of movements in the exchange rate is limited to accounting adjustments in the Group's consolidated accounts. An accounting profit of £23.5 million (2022 – £15.2 million) arises in reserves mainly on the re-translation of the opening net book value of assets in the USA
- Incurring all costs used to generate US dollar rental income in US dollars



This page and opposite page: Strand Palace Hotel, London WC2.





STRATEGIC REPORT continued*Regulation*

The present UK Government has announced its intention to tackle leasehold reform through two pieces of legislation. The Leasehold Reform (Ground Rent) Act 2022 came into force on 30 June 2022 but is unlikely to have a material impact on our business model. Although the government is yet to publish any significant detail, it is thought that the second piece of legislation will be enacted in the near future and may adversely affect the pricing and sale of leasehold extensions.

Rent controls in New York City are constraining the rental and capital value growth of our properties in that city.

Increased regulation on building or environmental standards, health and safety or planning matters could impose additional costs which we assess to be immaterial. In particular new energy performance standards will become obligatory in 2028 for all new residential lettings in the UK.

We seek to mitigate and manage this risk by:

- Careful monitoring of developments in legislation with the help of our professional advisers
- Concentrating new acquisitions in areas which are not subject to rent control or other adverse regulation

Catastrophic events

The operations of the Group were affected by the impact of the Covid-19 pandemic and could in future be adversely affected by the impact of further such events or a significant catastrophe such as extreme weather, fire, cyber-attack, civil disturbance or terrorism which could result in the loss of any of our principal buildings or offices and the records stored in them.

We seek to mitigate and manage this risk by:

- Maintaining a system of home working to ensure that the Group can continue to function despite the need for office closures
- Insuring buildings with third parties
- Physical building security
- Fireproof storage of leases and other documents of title
- Dispersal of business critical IT systems and enhanced data security measures



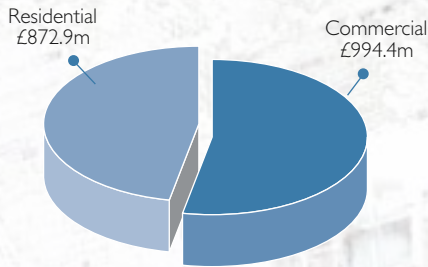
This page and opposite page: Ashley Gardens, London SW1.

STRATEGIC REPORT continued

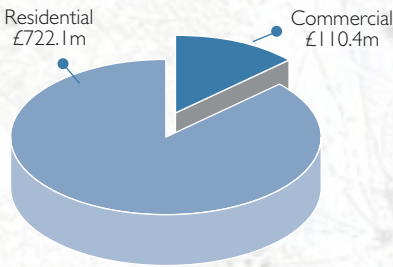


Analysis by property type

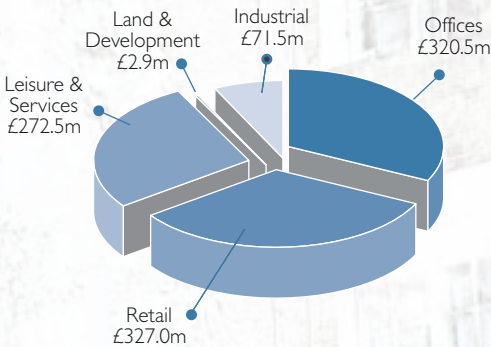
PROPERTY UK



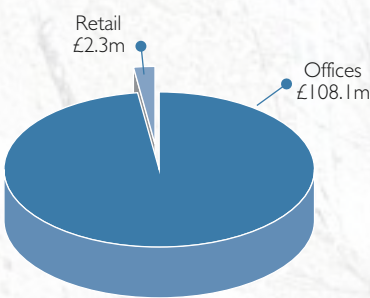
PROPERTY USA



COMMERCIAL PROPERTY UK

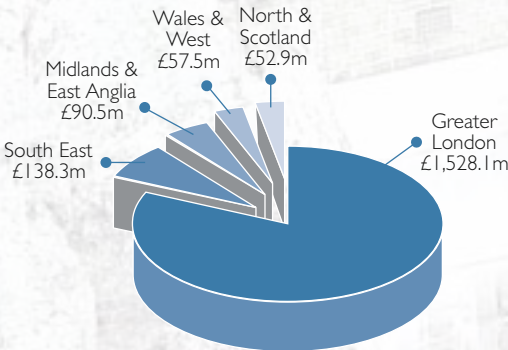


COMMERCIAL PROPERTY USA

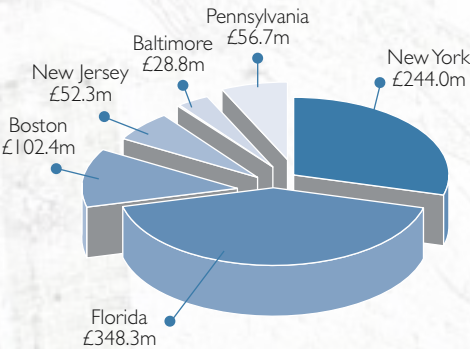


Analysis by location

UK VALUATIONS



USA VALUATIONS



Tenant default

Tenant default constitutes a risk to income and, ultimately, to capital value. Notwithstanding well publicised reports in the media of tenants defaulting on rental arrangements or unilaterally seeking material rent reductions, we continue to receive the substantial majority of rentals due under contractual arrangements.

The multi-tenanted nature of the portfolio, with rental income derived from numerous properties, provides a natural measure of protection against the risk of individual default.

In addition, we seek to mitigate and manage this risk by:

- Seeking tenants with strong covenants
- Credit checks on new tenants including independent assessments for major lettings
- Careful monitoring of tenants showing signs of financial stress
- Actively using recovery mechanisms for overdue debts

Retail Sector

The contraction or collapse of high profile retail chains continued in the year. The change in shopping patterns and in particular the move to online shopping which has accelerated during the Covid-19 pandemic means that the downward pressure on UK shopping centres' tenant demand and capital values is likely to continue. Parades of shops, an important part of our portfolio, have not so far suffered to the same extent. Our portfolio is not significantly exposed to the risk of any single retail tenant.

We seek to mitigate and manage this risk by:

- Close monitoring of developments in the retail sector
- Careful monitoring of tenants showing signs of financial stress
- Avoiding concentration on any one tenant or retail sector



This page and opposite page: Witley Court, London WC2.

STRATEGIC REPORT continued



Internal risks

Regional concentration in UK and US portfolios

Within the UK, the majority of our properties are situated in and around the London area. Our portfolio is therefore significantly impacted by valuation trends in that area. Historically, our USA portfolio has been mainly located in New York where in recent years capital values have been impaired by the introduction of severe rent controls and restrictions. However following recent acquisitions, the greater part of the portfolio is now located in Florida where property values have benefitted from the movement of population into the state.

Changes in aggregate property value have a direct impact on the net worth of the Group.

We seek to mitigate and manage this risk by:

- Continuing to invest in the USA, principally in Florida and other locations outside New York
- Regular monitoring of the property market for opportunities, not just in London but throughout the UK
- Regular professional revaluations by our independent surveyors in the UK and USA

Acquisitions

The Group seeks well priced acquisitions which will meet the strategic objective of adding long term, low risk growth in net asset value. The Group's oft stated aversion to undue risk means that in a period of economic and political uncertainty, such as we presently face, opportunities for acquisition will be approached with extreme caution. There is nevertheless a risk that an inappropriate or ill-judged acquisition could destroy value.

We seek to mitigate and manage this risk by:

- Rigorous pre-acquisition screening of all buying opportunities and appropriate due diligence

Development

The Group continues to seek development opportunities, principally from within the portfolio but also elsewhere. Development provides an opportunity to enhance income and net asset values but carries risk as to planning, construction timing, costs and letting.



This page: Clissold Court,
Greenway Close,
London N4. Opposite
page: Zeeta House.
Putney, London SW15.



STRATEGIC REPORT continued

We seek to mitigate and manage these risks by:

- Rigorous screening of all development opportunities including external professional advice and, where appropriate, market research to ensure continued tenant demand
- Seeking fixed price contracts with building contractors
- Focusing on a limited number of developments at any one time
- Close monitoring, together with our external advisers, of active developments

People

The Group relies heavily on the involvement of key executive directors in both strategic and day-to-day affairs. Loss of this involvement would be disruptive to business.

We have sought to mitigate and manage this risk by:

- The establishment of a strong Group management team to support the executive directors
- The appointment of directors from the next generation of the Freshwater family both in the holding and subsidiary companies

Investment properties

A professional valuation of all of the Group's properties was carried out at 31 March 2023. The UK properties were valued by Colliers International Property Advisers UK LLP, Chartered Surveyors. In the USA, all properties were valued by Jones Lang Lasalle, Certified General Real Estate Appraisers.

The table below shows a summary of the valuation of our investment property at 31 March 2023:

	Valuation March 2023 £m	Valuation March 2022 £m
Commercial property		
UK	994.4	1,053.0
USA	110.4	104.3
Residential property		
UK	872.9	881.4
USA	722.1	683.7
Less lease incentives	(17.0)	(17.0)
Total	2,682.8	2,705.4



This page and opposite page: properties in Florida USA. Above and right: Fairways of Inverrary, Lauderhill.



Top row: Waterford Park, Lauderdale. Centre row: Fairways of Inverrary, Lauderdale. Bottom row: Greenwich Commons, Tampa.

STRATEGIC REPORT continued

A more detailed analysis of the investment property portfolio is set out in Note 9 to the consolidated financial statements.

The changes in value shown in the table on page 18 are attributable to the net gains and losses arising on revaluation and movements resulting from purchases, capital expenditure, disposals and changes in currency rates of exchange. This is shown in the analysis below:

	2023 £m	2022 £m
Opening valuation	2,705.4	2,564.4
New acquisitions	4.0	0.1
Additions to existing properties	19.4	14.8
Disposals	(5.9)	(7.1)
	2,722.9	2,572.2
Revaluation (loss)/gain	(90.2)	101.1
Foreign exchange gain	50.1	32.1
Closing valuation	2,682.8	2,705.4

Our property portfolio values in the UK fell overall by 4.1%. Property values in the USA fell by 0.7% in dollar terms. Within the UK, our residential properties fell by 1.1% overall whilst our commercial properties fell by 6.8% overall, with falls of 11.4% in the value of offices and 10.4% in retail properties being partially offset by a rise of 2.4% in leisure and services properties. Our values of our industrial properties remained broadly flat.

In the USA, we continued to see value growth in Florida with prices up 6.6% although these gains were more than offset by falls in New York of 7.6% and losses of 3.0% in other locations.

Acquisitions and Developments

During the year we acquired the headlease of Zeeta House, Putney. Since the year end we have acquired the freehold of the Strand Palace Hotel.

In the UK development work was concentrated on the creation of new penthouse apartments at our Bentinck Close, London NW8 property and a new block of flats at Goulston Street, London E1. In the USA our expenditure has been on the recently acquired properties in Florida.



This page and opposite page: Aldgate Travelodge, Middlesex Street, London E1.



STRATEGIC REPORT continued**Results for the year**

The Group recorded a loss before taxation for the year ended 31 March 2023 of £41.0 million (2022 – profit of £159.7 million). The result includes a net valuation loss of £90.2 million arising on investment properties (2022 – gain of £101.1 million).

The table below shows the performance of the Group before and after valuation movements:

	2023 £m	2022 £m
Total rental and related income from investment property	185.0	168.4
Property operating expenses	(104.8)	(89.8)
Net rental and related income from investment property	80.2	78.6
Profit on disposals of investment property	9.4	15.3
Administrative expenses	(18.6)	(17.9)
Net operating profit before net valuation movements	71.0	76.0
Net valuation (losses)/gains on investment property	(90.2)	101.1
Net financing expense	(21.8)	(17.4)
(Loss)/profit before taxation	(41.0)	159.7

Overall this year has seen an increase of £16.6 million in rental income equivalent to 9.9% (2022 – 3.6%).

In the UK demand for residential property has been strong which has resulted in increases in rental levels and a reduction in the number of vacant units. Commercial property income has increased following the completion of various schemes of refurbishment. However this increase has been more than offset by tenant losses as a result of sluggish economic conditions and changes in working practices. Overall UK rental income increased by 2.4% (2022 – 0.1% decrease).

In the USA our properties in Florida have enjoyed strong rental growth particularly those which we have purchased in the last few years. The rent control regime in New York City has limited growth in rental income from our properties in that area. Overall USA rental income increased by 6% (2022 – 13%).



This page and opposite page: Coleherne Court, Old Brompton Road, London SW5.





STRATEGIC REPORT continued

Service charge income represents the recovery of costs incurred on relevant leases. The increase in the year was mainly attributable to the commencement of new programmes of major works.

Property operating expenses have increased by 11.3% (2022 – 0.5% reduction) at constant exchange rates. This reflects increased spending on repairs together with the impact of high inflation in both the UK and USA. These upward pressures were partially offset by the recovery in the UK of past year overcharging by various local authorities.

Profit on disposals derive in the main from the sale of lease extensions in the UK. When long leaseholders extend their lease a premium is paid; the Group has no control over when these extensions may occur.

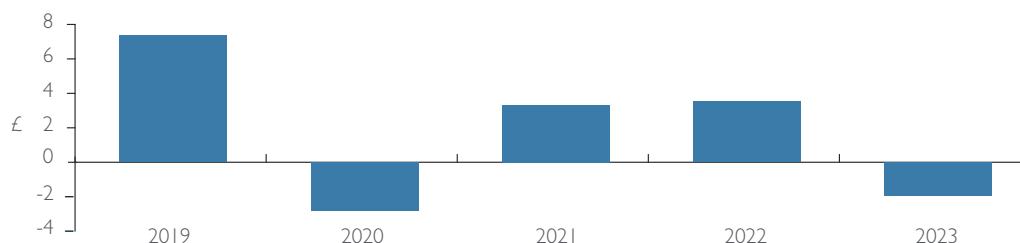
This has been a period of rising interest rates and net financing costs have increased in both the UK and the USA.

This year's fair value movement on financial instruments was a gain of £4.3 million (2022 – £5.3 million).

Our realised profits are subject to tax in the UK at 19% and in the USA at 28.3%. Provision for deferred tax is then made for items recognised in the accounts but not realised for tax purposes, principally property revaluation surpluses. This provision is calculated at the rates which are expected to apply in the future. In the UK, the future tax rate has been increased to 25% and a small increase applies in the USA. Our overall effective tax rate is 24% which is consistent with the statutory tax rates.

Earnings per share

The Group recorded a loss per share of £1.92 (2022 – earnings £3.53), which represents a fall of £5.45 per share (2022 – 18 pence increase).



This page and opposite page: Chatsworth Court, London W8.

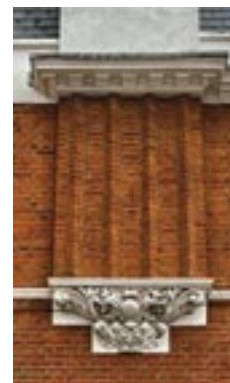


SHIP
SW3

STRATEGIC REPORT continued**Underlying profit before tax**

The profit reported in the financial statements has for some years included property revaluation movements and fair value adjustments to financial instruments. In addition to this measure of performance we also focus on “underlying profit before tax” which does not include these valuation items. Underlying profit before tax for the last two years is set out below:

	2023 £m	2022 £m
(Loss)/profit before tax per the income statement	(41.0)	159.7
Property valuation deficit/(surplus)	90.2	(101.1)
Financial instruments fair value adjustments	(4.3)	(5.3)
Adjustment to measurement of disposal profits	2.3	0.6
Underlying profit before tax	47.2	53.9



This year's underlying profit before tax of £47.2 million represents a decrease of £6.7 million on the underlying profit of £53.9 million in the previous year. The decrease is mainly due to the reduction of profit on disposal of properties as last year two large buildings were sold.

Underlying profit before tax represents that element of our reported results which has actually been realised and is not dependent on valuation judgements. It represents the performance of our core rental business together with disposal profits which tend to fluctuate from year to year.

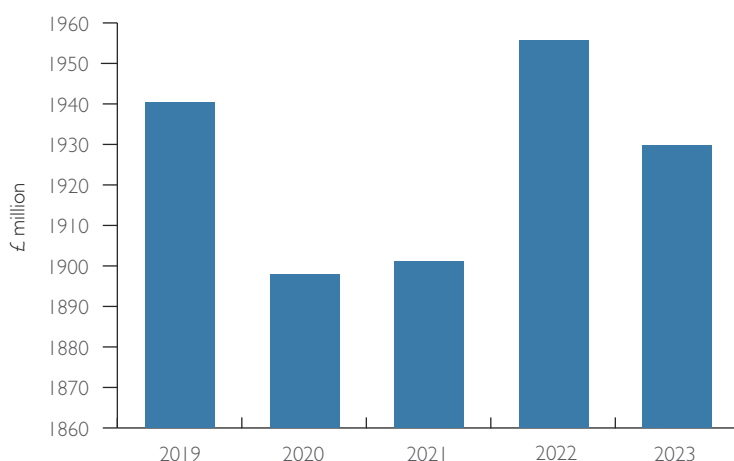
It is our underlying profit before tax which generates the cash we use to re-invest in the business and to pay dividends and taxes.

Gearing

Gearing, the ratio between our loans and borrowings and the value of our total assets, is 24.5% (2022 – 23.6%) for the Group as a whole. In the UK the ratio is 16.6% (2022 – 16.2%) whilst in the USA, where each property is financed separately on a ring-fenced basis, it is 42.4% (2022 – 42.3%).

Shareholders' funds

At 31 March 2023 shareholders' funds amounted to £1,928.8 million, a fall of 1.4% on last year's figure of £1,955.6 million (2022 – increase of 2.9%). Shareholders' funds in recent years have been as follows:



This page and opposite page: Lawrence Mansions, Lordship Place, Chelsea, London SW3.

STRATEGIC REPORT continued



Outlook

The Chairman's Introduction on page 2 and the section dealing with external risks on page 8 describe the economic and political factors which will affect the Group in the coming year.

In the UK the immediate future will be dominated by high rates of interest and inflation. The Bank of England is determined to bring inflation under control and has forecast that the annual rate will not return to the long term target of 2% until 2025. In consequence, for the short term, interest rates are likely to continue to rise. The economic outlook is for weak growth at best and the risk of slipping into recession.

The outlook in the USA is somewhat more positive with inflation much reduced however interest rates remain high and there is concern that economic growth may come to a halt.

An element of political uncertainty arises from the fact that General Elections will be held in both the UK and USA in 2024.

Against this background we will continue to conserve and enhance our financial resources so that we remain well placed to take advantage of opportunities as they arise.

It is the nature of programmes of development and enhancement that they tend to span more than one accounting period and may take some time to bring to fruition; we are comfortable taking a long term, low risk approach to growing net asset value. We continue to explore development opportunities within our existing portfolio; the timing and speed with which these are pursued will be influenced by general economic, political and market conditions.

In the USA we continue to seek acquisition opportunities in favourable locations, mainly outside New York and, whenever possible, to refinance existing properties at more advantageous rates. There is strong competition for worthwhile opportunities but we stick to our rigorous selection criteria and are prepared to wait for the right transaction.

Employees

The day-to-day activities are outsourced to management companies which are responsible for the provision of the services of the staff on whom we rely to run the business. As part of the arrangements with the management companies in the UK, those individuals engaged on the Group's affairs hold joint employment contracts but the management companies retain sole responsibility for setting recruitment, employment, training, health and safety, diversity and human rights policies for their staff. Whilst the Group supports and encourages good practice in all of these areas, detailed



This page and opposite
page: Vincent Court,
London NW4.



VINCENT COURT

VINCENT
COURT
22-34
LONDON N1 1AA

STRATEGIC REPORT continued



responsibility for the establishment and execution of such policies lies with the management companies. As a result, this report does not contain the kind of information mentioned in the Companies Act 2006 s414C (7)(b)(ii) and (iii).

All Directors of the Company are male and no new recruitment to the Board is presently planned. In addition, there are 20 other directors of the Company's UK subsidiaries, of whom 12 or 60% are female and 8 or 40% are male. When the need for recruitment arises equal consideration is given to all candidates, regardless of gender, religion or ethnicity.

Health and Safety

So far as health and safety is concerned, the Board recognises the importance of ensuring that our properties provide a safe and healthy environment for all users. With this in mind the Board has requested that the management companies ensure that:

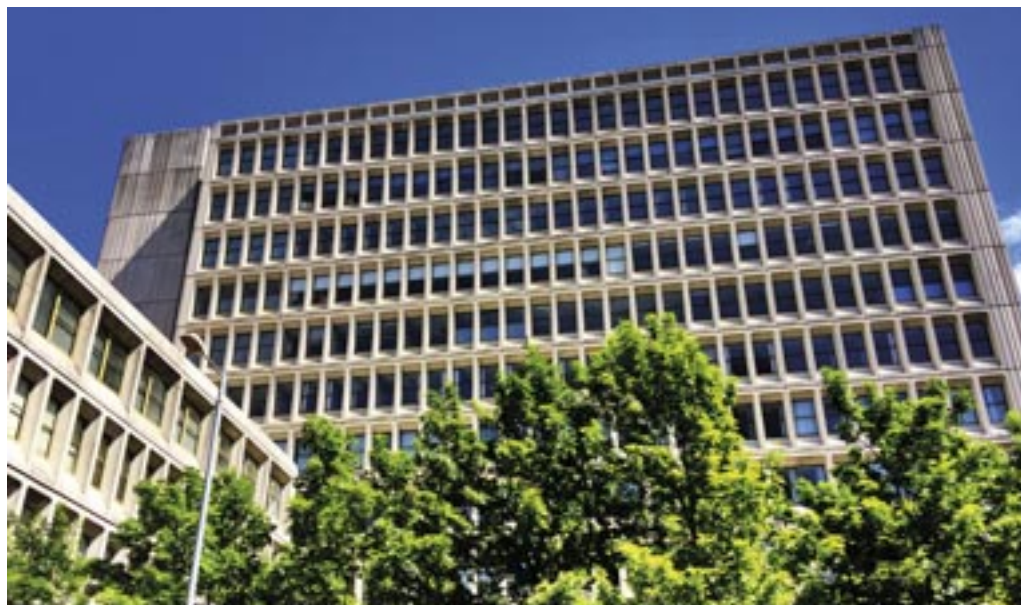
- All their employees receive appropriate training in the identification and management of health and safety risks. Every employee is required to be familiar with health and safety policies and has responsibility for ensuring that they are followed in their area of work.
- Regular cyclical risk assessments are undertaken by external consultants on all properties for which the Group has responsibility. A dedicated team is tasked with resolving issues raised by such assessments and with monitoring policy compliance.
- During the Covid-19 pandemic secure workplaces and practices were established for all employees. This has involved enabling working from home where appropriate as well as deep cleaning of offices and the provision of sanitising materials.

To ensure that an awareness of the importance of this issue continues at the highest level within the Group, health and safety reviews are periodically presented at Board level.

Community

The Group has long recognised the importance of supporting the communities in which we operate. Many companies encourage and facilitate their employees to donate their time and efforts to community projects; because our staffing is outsourced this route is not available to us. Our support therefore takes the following forms:

- Donations, largely to educational charities, which this year amounted to £173,487 (2022 – £75,522).



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page: 1-2 Cadogan
Square, Glasgow C2.



STRATEGIC REPORT continued



- Dividends on donated shares following the donation some years ago to charities of shares representing 6.3% of the capital of the Company with dividend payments in the year of £1,198,242 (2022 – £1,156,923) being passed to charitable companies.

Environment

As mentioned on page 28, all the staff engaged in the business and who control our buildings are provided by management companies. We do not have responsibility for the greenhouse gas emissions related to the employment of those people. The greenhouse gas emissions arising from our let properties are the responsibility of our tenants.

Pursuant to Part 7A 20E (3) of Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Company is exempt from the disclosures required in Part 7 regarding greenhouse gas emissions, energy consumption and energy efficiency action.

The scope for enhancing the environmental standards across the majority of our properties is limited. In the main they were constructed before the advent of modern standards and it would be neither practically nor economically feasible to undertake a complete upgrade to meet modern requirements. However, we do take the opportunities which arise each year as part of programmes of repair and refurbishment to improve the energy efficiency of our buildings and the plant therein. Where appropriate we also seek to take into account the likelihood of future tightening of environmental standards.

When we undertake new developments or major schemes of refurbishment we strive to achieve the highest environmental and sustainability standards consistent with the nature of the building and the scheme being undertaken.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so had regard to the matters set out in Section 172 (1) (a) to (f) of the Companies Act 2006.

The Board considers the Group's key stakeholders to be the Group's: lenders, shareholders, staff provided by management companies, suppliers and tenants. The Board impress the need for an open, fair, honest and respectful workplace culture on senior management who ensure that all who work for the Group are aligned to these values. This enables the Group to forge strong long term relationships with its key stakeholders, which is critical to the success of the business and its stated objective of the pursuit of long term, low risk growth in net asset value and rental income as explained on page 4. The executive directors aim to meet with many of the Group's key stakeholders each year and it is an important part of the role of senior management to meet with and foster business relationships with lenders, suppliers, tenants and other stakeholders. High standards of business conduct are demanded from all those who represent the Group whether they are members of the Board, staff provided by management companies or third party advisers, agents or other representatives.

Viability review

The Directors have appointed a team led by senior management to assist the Board in undertaking a viability assessment. A thorough review has been undertaken of the Group's current financial, strategic and operational position, the Board's future plans for the business and the principal and emerging risks faced by the Group, described on pages 7 to 20 of the Strategic Report.

The Directors consider that five years remains an appropriate time horizon for assessing the longer-term viability of the business and this is consistent with the period which has been used for strategic planning.

- The Group has a low risk, balanced portfolio of properties, with many commercial properties occupied by tenants with long leases. Based on current trends and notwithstanding the high inflationary environment and the challenging economic outlook in the UK and USA, the Directors continue to believe that the Group will be able to grant short term leases on

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STRATEGIC REPORT continued



residential properties and new leases on commercial properties at comparable rents overall for at least five years.

- The Group utilises external funding and its policy is to have available and committed facilities which are spread over a period of years. Most bank finance is available for a term of five years. As explained further in Note 16, whilst the Group has some £275 million of bank loans which are repayable within one year, at the date of signing this report the Group had received heads of terms or were in advanced discussions with lenders for new loans totalling £325 million. In addition, other potential funding options are available including an extension to 2025 on a £225 million loan and major new loans from other financial institutions. The Group has ongoing discussions with incumbent and potential lenders regarding the renewal or replacement of facilities well in advance of their maturity. Based on these discussions the Board remains confident that the Group will be able to replace existing facilities when they mature on competitive and affordable terms.

Assessment of the Group's viability over the next five years included stress testing key business metrics with what is considered the plausible worst-case potential impact of the principal and emerging risks. Particular attention was paid to the availability and expected cost of loan finance, interest rate caps and swaps. Whilst carrying out this assessment, the strength and effectiveness of the controls in place to mitigate risks were considered.

“
*The directors confirm that, based
on the analysis, they have a reasonable
expectation that the Group can continue to operate
and meet its liabilities as they fall due over the
five-year period of the assessment.*
”

In determining what should be regarded as the plausible worst-case impact, the Board and senior management team have considered in detail and sought advice on forecasts for UK property prices, demand for UK property and the associated impact on rents and yields, and the willingness of financial institutions to lend to UK property companies. Testing included assuming that one of the three lenders with whom we are in advanced negotiations regarding new and replacement loans decides against lending to the Group and that the proportion of UK rent collected falls to 80%, down from 98.9% which is the percentage of UK rent for the year ended 31 March 2023 that had been collected at the date of signing this report. Notwithstanding the reduction in forecast cash collected, administration and operating costs were assumed to remain the same in real terms. Headroom on loan covenants has been stress-tested, the maturities of loan agreements reviewed and a five-year cash flow forecast produced.

The Directors confirm that, based on the analysis, they have a reasonable expectation that the Group can continue to operate and meet its liabilities as they fall due over the five-year period of their assessment.

By order of the Board

J S Southgate
Company Secretary

29 September 2023

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London NW8.



OSLO COURT

DIRECTORS' REPORT

Strategic Report

The Company's Strategic Report for the year ended 31 March 2023 is set out on pages 4 to 34 and contains the following information:

- The principal activities of the Group
- The business review of the Group
- An indication of the future developments of the Group
- The principal risks and uncertainties facing the business, including those relating to financial instruments
- Employee and environmental disclosures including those related to greenhouse gas emissions

Results and Dividend

The loss for the year amounted to £31.1 million (2022 – profit of £57.6 million). A first interim dividend of 58p per share was approved on 3 August 2022 and a second interim dividend on both A Shares and B Shares of 58p per share was approved on 28 March 2023. The Directors do not recommend the payment of a final dividend.

Directors

The Directors who served throughout the year and up to the date of this report were:

Mr B S E Freshwater
Mr S I Freshwater
Mr D Davis
Mr A M Freshwater
Mr C B Freshwater
Mr R E Freshwater

Brief biographies of the Directors are as follows:

Mr B S E Freshwater. Aged 75 – Joined the Board in December 1971 with primary responsibility for the Group's finances. In July 1976 he was appointed Managing Director and, additionally, became Chairman in July 1980.

Mr S I Freshwater. Aged 73 – Directs the Group's operations in the USA and also has responsibility for the Group's UK sales division. He has been a Director of the Company since January 1986.

Mr D Davis. Aged 88 – Previously a partner in Cohen Arnold, the Group's consulting accountants. He relinquished his partnership in 1971 in order to devote more time to his numerous business and other interests. He has been a non-executive Director of the Company since December 1971.

Mr A M Freshwater. Aged 52 – He is resident in the UK and sits as an Arbitrator in complex commercial disputes. He is an actual and potential beneficiary of trusts and a trustee of certain other trusts with substantial holdings of the Company's equity. He was appointed to the Board as a non-executive director in July 2010.

Mr C B Freshwater. Aged 51 – Was appointed to the Board as a non-executive Director in July 2017. He currently lectures at a London college. He is an actual and a potential beneficiary of trusts and a trustee of certain other trusts with substantial holdings of the Company's equity.

Mr R E Freshwater. Aged 53 – He is currently pursuing an academic career and lectures to graduate students. He is an actual and a potential beneficiary of trusts and a trustee of certain other trusts with substantial holdings of the Company's equity. He was appointed to the Board as a non-executive director in July 2010.

The powers of the directors of the Company are as set out in the Company's articles of association. During the year, the Company did not purchase any shares.

Directors' Interests in Transactions

Day-to-day management of the Group's properties and its operations in the UK is mainly carried out by Highdorn Co. Limited and by Freshwater Property Management Limited. Mr B S E Freshwater and Mr S I Freshwater are directors of both companies. They have no direct beneficial interest in the share capital of Highdorn Co. Limited. Mr B S E Freshwater, Mr S I Freshwater and Mr D Davis are also directors of the parent company of Freshwater Property Management Limited but have no beneficial interest in either company. Mr C B Freshwater and Mr R E Freshwater have a beneficial interest in a trust holding interests in shares in Highdorn Co. Limited.

Details of the amounts paid for the provision of these services are set out in Note 18 to the financial statements.

Share Capital and Substantial Directors' and other Shareholdings

The structure of the Company's share capital, including the rights and obligations attaching to the shares, is given in Note 14 to the financial statements. At 31 March 2023, the Company had 3,347,364 A shares and 12,947,993 B shares (2022 – 16,295,357 ordinary shares) in issue and, with the exception of 763 B shares (2022 – 763 ordinary shares) beneficially owned by Mr D Davis, all shares were controlled by or held in trusts on behalf of members of the Freshwater family. On 19 June 2023 the Company completed a scheme of reconstruction following which the Company is wholly owned by Daejan Group Holdings Limited. Further details are provided in Note 25 on page 86.

Directors' interests in the share capital of the Company are as follows:

	Beneficial interest		Non-beneficial interest	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
B S E Freshwater	457,683	457,683	12,245,617	12,245,617
S I Freshwater	206,920	206,920	8,332,941	8,332,941
D Davis	763	763	–	–
A M Freshwater	2,591,294	2,591,294	962,323	962,323
C B Freshwater	2,591,294	2,591,294	–	–
R E Freshwater	2,591,294	2,591,294	1,034,566	1,034,566

Notes:

- Beneficial interests of B S E Freshwater and S I Freshwater includes shares held by: (i) a company owned 50% by B S E Freshwater and 50% by S I Freshwater; and (ii) B S E Freshwater and S I Freshwater joint pension scheme.
- Beneficial interests of A M Freshwater, C B Freshwater and R E Freshwater include shares held by trusts in which they are each one of a large class of beneficiaries.
- Non-beneficial interests relate to shares held by trusts, charities and bodies corporate owned by family trusts where the director is a trustee or director.

DIRECTORS' REPORT continued

Included in the directors' holdings shown in the table on the previous page are the following holdings at 31 March 2023, each amounting to 3% or more of the Company's issued share capital:

		Number of shares	%
Dock Newco Limited	A Shares	3,347,364	20.5
Henry Davies (Holborn) Limited	B Shares	1,934,090	11.9
Trustees of the S I Freshwater Settlement	B Shares	1,560,000	9.6
Distinctive Investments Limited	B Shares	1,464,550	9.0
Quoted Securities Limited	B Shares	1,305,631	8.0
Centremanor Limited	B Shares	1,000,000	6.1
Valand Investments Limited	B Shares	1,000,000	6.1
Silda 2 Limited	B Shares	705,000	4.3
Mayfair Charities Limited	B Shares	565,000	3.5
Tabard Property Investment Company Limited	B Shares	500,000	3.1

As explained in Note 25 on page 86, on 19 June 2023 all B shares were cancelled and simultaneously reissued to Dock Newco Limited as part of a scheme of reconstruction. There have been no further changes to the shareholder's interests from 31 March 2023 up to the date of signing this report.

Corporate Governance

This report combines by reference the Corporate Governance Report on pages 40 to 42.

Change of Control

Part 6 of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires the Company to identify those significant agreements to which the Company is party that take effect, alter or terminate upon a change of control of the Company following a takeover bid and the effects of any such agreements.

The Group has seven bank loan and mortgage facilities which contain change-of-control clauses. Five of these facilities in certain circumstances require the prior written consent of the lender to a change of control over the parent company, without which such change of control would constitute an event of default. A change of control under the other two facilities would similarly constitute an event of default but no provision is made for the prior written consent of the lender. At 31 March 2023, these facilities represented £106.9 million (2022 - £108.0 million) of the loans and borrowings in the financial statements and undrawn facilities of £30.0 million (2022 - £30.0 million).

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 34, which also refers to the financial position of the Group, its cash flows, liquidity position and borrowing facilities. In addition, Note 17 to the financial statements includes the Group's objectives, policies and processes for managing its financial risks, together with details of its financial instruments, hedging activities and exposures to credit, liquidity and market risks.

The Group generated cash from operating activities of £60.3 million during the year (2022 – £46.6 million). Gearing, on the basis of gross debt to total assets, was 24.5% (2022 – 23.6%). Reported net debt (total loans and borrowings less cash and cash equivalents) increased to £609.0 million (2022 – £592.5 million) but fell by £1.7 million in constant currency terms. The Group had undrawn committed facilities of £55.0 million at the balance sheet date (2022 – £55.0 million).

The Group has undertaken a detailed and robust assessment of its projected future financial position. As the Group has some £275 million of bank loans that mature within one year, the Board carefully considered the latest status of the negotiations with lenders regarding new and replacement loans. The assessment also considered the Group's ability to meet its debts, the potential impact on property prices, demand for property and the associated impact on rents and yields of the current macroeconomic and political climate in the UK and USA.

The Group is now close to signing new loan agreements with three major banks in the UK for new or replacement loans and continues to have discussions with other lenders. In the unexpected event that one of these three banks decided against lending, the Group would still have sufficient cash resources to meet its liabilities as they fall due and the discussions with other potential lenders would be accelerated. The Board is confident that the borrowing options that the Group currently has are more than adequate. During the year, the Group generated over £60 million of cash from operations before tax and interest. If rent collection in the UK fell to 80% of rent demanded, down from 98.9% which is the percentage of UK rent for the year ended 31 March 2023 that had been collected at the date of signing this report, the Group would still have sufficient cash to operate. The ability to reduce expenditure quickly on development costs and dividends provide further security. The net current liability position of the Group is not considered to be a matter of concern.

The Board is satisfied that even in the plausible worst-case scenario, the Group will have sufficient resources to be able to continue to operate and there are no breaches of any of its loan covenants.

Consequently, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approving this Annual Report & Accounts. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditor

The Company's auditor, KPMG LLP, has expressed its willingness to continue in office and pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed as the Company's auditor.

Statement of Disclosure of Information to the Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they each are aware there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

J S Southgate
Secretary

29 September 2023

CORPORATE GOVERNANCE REPORT

Overview

The Board has long recognised the benefits of strong corporate governance and its link to enhanced business performance. Strong corporate governance supports high levels of accountability and robust, informed and transparent decision-making which benefits the Group's major stakeholders. It also gives confidence and reassurance to our stakeholders that we operate with honesty, integrity and in a socially responsible way.

Each year, the Board reviews the Group's approach to corporate governance and considers any changes which might be necessary in light of developments in best practice and in the context of the needs of the Group's business. The Board's assessment of the Group's governance framework included consideration of the Wates Corporate Governance Principles for Large Private Companies issued in December 2018 and endorsed by the Financial Reporting Council. As it is privately-owned, the Group is not required to apply the 2018 UK Corporate Governance Code, but has considered the principles included in this Code.

The Board

The Group is controlled through the Company's Board of Directors. The Board's main roles are to create value for shareholders, to provide entrepreneurial leadership of the Group, to approve the Group's strategic objectives and to ensure that the necessary financial and other resources are made available to enable those objectives to be met.

The Board meets regularly throughout the year on both a formal and an informal basis. Comprehensive management information covering all aspects of the Group's business is supplied to the Board in a timely manner and in a form and quality which enables it to discharge its duties. The Board's principal focus, in accordance with the formal schedule of matters referred to it for decision, is on the formation of strategy and the monitoring and control of operations and financial performance. The performance of the Board and individual directors is kept under constant review by the Chairman and therefore it is not considered necessary to undertake a more formal process of evaluation, either internally or externally. All directors have access to the Company Secretaries who are responsible for ensuring compliance with the Board procedures. The Board has agreed a procedure for directors in the furtherance of their duties to take independent professional advice, if necessary, at the Company's expense. All directors are briefed by the Chairman of the views, and any changes to them, of the major shareholders.

Directors and Directors' Independence

During the year the Board comprised the Chairman, who acts in an executive capacity, one further executive director and four non-executive directors. The names of the directors together with their biographical details are set out on pages 36 and 37. The directors are all members of the Freshwater family with the exception of Mr D Davis who, due to his length of service, is not considered to be independent. Given the Freshwater family are the shareholders of the Company, the Board reflects this.

Financial Reporting

The Board has ultimate responsibility for all aspects of the Group's financial reporting obligations. The key aspects of these obligations are as follows:

Accounting and significant areas of judgement

It is essential to the standard of the Group's financial reporting that appropriate accounting policies are adopted and applied on a consistent basis. The Board is updated by management of the impact of new and emerging accounting standards and keeps under careful review those areas of its accounting policies requiring subjective or complex judgements or estimates. These areas, particularly in relation to fair value measurements of investment property are set out in Note 1(u) to the financial statements. As part of their review of the accounts, the Board also considers the valuation reports and discusses these with its valuers.

External auditor

KPMG LLP and its predecessor entities have been the Group's statutory auditor since the Group in its current form was created by reverse takeover in 1959. The Board keep under careful review the independence of the auditor and the quality of its services to the Group and is satisfied that KPMG LLP and Richard Kelly who has been the Senior Statutory Auditor since 2015 provide an objective service, from the sound base of their understanding of the Group's business.

Whilst there are no legal restrictions on the length of time an auditor can continue as the auditor of a private company, in line with good corporate governance the Board are considering tender options for the Group's audit.

The Board has a policy of using KPMG LLP to provide non-audit services to the Group only in relation to matters closely associated with the audit and maintains close scrutiny of its non-audit services and fees in order to safeguard objectivity and independence.

Internal Controls

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Directors review the effectiveness of the Group's system of internal controls, covering financial, operational and compliance controls and risk management. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant business risks faced by the Group and the internal control systems, and that this process has been in place for the year under review and up to the date of approval of the Annual Report & Accounts. This process was considered by the Board at regular intervals.

The Board has considered the benefits likely to arise from the appointment of an internal audit function and has concluded that this is not currently necessary having regard to other controls which operate within the Group.

Key elements of the Group's system of internal controls

These are as follows:

Control environment: The Group is committed to the highest standards of business conduct and seeks to maintain these standards across all its operations. The Group has a clear organisational structure for planning, executing and monitoring business operations in order to achieve the Group's objectives. Lines of responsibility and delegation of authority are well defined.

CORPORATE GOVERNANCE REPORT continued

Risk identification and evaluation: Management is responsible for the identification and evaluation of key risks applicable to the areas of the property market which impact its objectives. These risks are assessed on a continual basis, are subject to a robust annual assessment and may be associated with a variety of internal and external sources. The Board considers the risk implications of business decisions including those affecting all major transactions.

Information and communication: Periodic strategic reviews are carried out which include the consideration of long term financial projections. Financial performance is actively monitored at Board level. Through these mechanisms group performance is monitored, risks identified in a timely manner, their implications assessed, control procedures re-evaluated and corrective actions agreed and implemented.

Control procedures: The Group has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures include physical controls, segregation of duties, use of external experts and advisers where beneficial, reviews by management and reviews by the Company's external auditor to the extent necessary to arrive at their audit opinion.

Monitoring and corrective action: The Board met regularly, formally and informally, throughout the year to review the internal controls. This process includes a detailed annual review of the significant business risks and formal consideration of the scope and effectiveness of the Group's system of internal control. In addition, the executive directors and senior management have a close involvement in the day-to-day operations of the Group and as such, the controls are subject to ongoing monitoring. The Board is satisfied with the scope and effectiveness of the internal controls.

DIRECTORS' REMUNERATION REPORT

Directors' Remuneration Policy

Included in this report is the remuneration strategy and policy together with other relevant information about the terms and conditions applicable to executive directors of the Group:

Overview

The remuneration strategy is designed to be simple and transparent. In setting levels of remuneration it is important to:

- Reflect the interests and expectations of shareholders and other stakeholders
- Take account of pay and employment conditions of employees in the Group
- Reward the sustained growth and profitability of the business
- Encourage management to adopt a level of risk which is in line with the risk profile of the business as approved by the Board
- Ensure there is no reward for failure by having a contractual entitlement to compensation for loss of office

Executive directors' potential remuneration

Executive directors normally receive basic pay only. There are no formal bonus or incentive schemes in operation or any form of share option scheme or long term incentive plan, although the executive directors were each paid an additional fee in both the current and prior financial year in recognition of their exceptional contribution to the Group. The executive directors are incentivised by virtue of all shares in issue, with the exception of the 763 shares beneficially owned by Mr D Davis, being held by or on behalf of themselves, other members of their families and their charitable interests.

Strategy

Purpose

The salary is set to be competitive, relative to other companies operating in the same sector.

Annual review

A review of executive directors' salaries is carried out each year once the results for the year are known and with reference to a comprehensive peer group of similar companies.

The annual review takes into consideration:

- Individual responsibilities, experience and performance
- Salary levels for similar positions in comparable businesses
- The level of pay increases awarded to staff whose services are provided by management companies
- Economic and market conditions
- Overall performance of the business

There is no overall limit to maximum increases save as to comply with the strategy outlined above.

Benefits

There are no additional benefits granted to any director over and above basic pay and additional fee for their services to the Company. Mr A M Freshwater and Mr R E Freshwater received medical insurance for themselves and their family as part of their remuneration for their directorship of subsidiary companies.

DIRECTORS' REMUNERATION REPORT continued

Pension

The Group does not operate a pension scheme for the directors and therefore they do not receive either pension contributions or entitlement to pension benefits as part of their remuneration by the Group.

Recruitment of executive directors

No new appointments of executive directors have been made for many years but if an appointment were made, salary would take into account market data for the relevant role, the individual's experience and the responsibilities expected of them.

Service contracts

No director has a service contract. Company policy is to employ executive directors at will, with no contractual entitlement to compensation for loss of office. Mr B S E Freshwater has served as a director since 1971 and Mr S I Freshwater has served as a director since 1986.

The non-executive directors are not appointed for a fixed term but are subject to periodic reviews. Mr D Davis was appointed in 1971, Mr A M Freshwater and Mr R E Freshwater were appointed in 2010. Mr C B Freshwater was appointed in 2017. They are all remunerated by a fixed director's fee.

Annual Report on Remuneration

This section describes all payments to directors in connection with the year under review.

Total directors' remuneration

Details of each individual director's remuneration are set out below on an accruals basis:

	Base Salary £	Additional fee £	Other benefits £	Total £
2023				
Mr B S E Freshwater	1,500,000	750,000	–	2,250,000
Mr S I Freshwater	1,500,000	750,000	–	2,250,000
Mr D Davis	20,000	–	–	20,000
Mr A M Freshwater	100,000	–	7,051	107,051
Mr C B Freshwater	20,000	–	–	20,000
Mr R E Freshwater	100,000	–	7,686	107,686
	3,240,000	1,500,000	14,737	4,754,737

2022	Base Salary £	Additional fee £	Total £
Mr B S E Freshwater	1,400,000	1,500,000	2,900,000
Mr S I Freshwater	1,400,000	1,500,000	2,900,000
Mr D Davis	20,000	-	20,000
Mr A M Freshwater	85,000	-	85,000
Mr C B Freshwater	20,000	-	20,000
Mr R E Freshwater	85,000	-	85,000
	3,010,000	3,000,000	6,010,000

In addition to the amounts included in the tables on page 44 and above were the following payments from USA based subsidiaries under a consultancy agreement: Mr B S E Freshwater US\$830,000 (equivalent to £688,454) (2022 - US\$Nil) and Mr S I Freshwater US\$165,000 (equivalent to £136,861) (2022 - US\$Nil).

The Group maintains comprehensive liability insurance for its directors and officers.

Changes in the year

Mr D Davis is the senior non-executive Director and has responsibility for changes to the executive directors' remuneration.

Mr B S E Freshwater and Mr S I Freshwater each received an increase in basic salary of £100,000 per annum during the year (2022 - £50,000), equivalent to 7.1% (2022 - 3.7%). The increases were approved by the Board.

The total staff costs borne by the Group under its arrangements with its management companies and the salary costs of directors of subsidiaries in the UK increased by 12.9% (2022 - decrease of 3.7%). The increase in total staff costs for the year reflects: pay rises for employees given by the management companies, which for the final quarter of the year included many high single digit percentage increases; an increase in staff numbers reversing the reduction reported in 2022; a full year's charge of the fee increases awarded in January 2022 to the directors of subsidiary companies; and other benefits payable for the directors of subsidiary companies. Since such staff are employed under these arrangements, no consultations regarding directors' remuneration policy or implementation have been held.

Non-executive directors' remuneration

Non-executive directors of the Company each receive a base fee of £20,000 per annum which is reviewed periodically, pro-rated for his or her period of service in any one year. This entitlement has not changed in recent years.

Included in the tables on page 44 and above for both Mr A M Freshwater and R E Freshwater are director's fees of £80,000 (2022 - £65,000) and other benefits of £7,051 (2022 - £nil) and £7,686 (2022 - £nil) respectively from subsidiary companies. Additionally, other directors of subsidiary companies received fees of £1,600,000 (2022 - £1,270,000) and other benefits of £59,461 (2022 - £Nil); these amounts are not included in the tables on pages 44 and above as the recipients are not directors of the Company.

DIRECTORS' REMUNERATION REPORT continued

Relative importance of spend on pay

The table below demonstrates the relative amounts expended by the Group on staff costs, Directors' remuneration and dividends to shareholders. The Company did not buy back any shares during the year.

	Staff costs		Directors' remuneration		Dividends to shareholders	
	£000	% of total	£000	% of total	£000	% of total
2023	9,175	27.9	4,755	14.5	18,903	57.6
2022	8,126	25.1	6,010	18.6	18,251	56.3

Statement of directors' shareholdings and share interests

There is no minimum shareholding requirement for executive or non-executive directors. The directors' share interests are complex and are set out in the Directors' Report on pages 37 and 38.

The basic pay of the Chairman and Managing Director who is also the highest paid director over the past ten years is shown as a single figure in the table below:

Mr B S E Freshwater	£
2014	870,000
2015	1,000,000
2016	1,100,000
2017	1,150,000
2018	1,200,000
2019	1,250,000
2020	1,300,000
2021	1,350,000
2022	2,900,000
2023	2,250,000

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with the UK accounting standards, and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- for the Group financial statements state whether they have been prepared in accordance with UK adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITIES STATEMENT continued

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

B S E Freshwater
Chairman

29 September 2023



INDEPENDENT AUDITOR'S REPORT

To the members of Daejan Holdings Limited

Opinion

We have audited the financial statements of Daejan Holdings Limited ("the Company") for the year ended 31 March 2023 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the directors of whether they are aware of fraud and of the company's high-level policies and procedures to prevent and detect fraud;
- Reading Board minutes; and
- Considering remuneration incentive schemes and performance targets for management.

INDEPENDENT AUDITOR'S REPORT continued

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as investment property valuations.

We did not identify any additional fraud risks.

On this audit we do not believe there is a fraud risk related to revenue recognition because the company's income primarily arises from operating lease contracts with fixed, or highly predictable, periodic payments.

We also performed procedures including:

- identifying journal entries to test based on a risk criteria and comparing the identified entries to supporting documentation. These included those containing certain key words, posted by unauthorized users, posted with unexpected account combination and those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: landlord and tenant legislation, property laws and building legislation, recognizing the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws or regulation.

Other information

The directors are responsible for the other information, which comprises the strategic report, directors' report, the corporate governance report, and the director's remuneration report. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion thereon.



Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 47, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square,
 London, E14 5GL

29 September 2023

CONSOLIDATED INCOME STATEMENT

<i>for the year ended 31 March 2023</i>	<i>Notes</i>	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Gross rental income		168,908	153,632
Service charge income		16,069	14,754
Total rental and related income from investment property	2	184,977	168,386
Property operating expenses	3	(104,847)	(89,840)
Net rental and related income from investment property		80,130	78,546
Profit on disposal of investment property		9,352	15,344
Net valuation (losses)/gains on investment property	9	(90,169)	101,072
Administrative expenses	4	(18,610)	(17,871)
Net operating (loss)/profit before net financing costs		(19,297)	177,091
Fair value gains on derivative financial instruments		4,271	5,298
Other finance income	5	6,508	3,677
Finance expenses	5	(32,520)	(26,407)
Net financing costs		(21,741)	(17,432)
(Loss)/profit before taxation		(41,038)	159,659
Income tax credit/(charge)	6	9,944	(102,011)
(Loss)/profit for the year		(31,094)	57,648
Attributable to:			
Equity holders of the parent		(31,308)	57,510
Minority interest		214	138
(Loss)/profit for the year		(31,094)	57,648
Basic diluted (loss)/earnings per share	7	£(1.92)	£3.53

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
<i>for the year ended 31 March 2023</i>		
(Loss)/profit for the year	(31,094)	57,648
Foreign exchange translation differences	23,495	15,171
Total comprehensive (loss)/income for the year	(7,599)	72,819
Attributable to:		
Equity holders of the parent	(7,869)	72,635
Minority interest	270	184
Total comprehensive (loss)/income for the year	(7,599)	72,819

All comprehensive income may be reclassified as profit and loss when realised in the future.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued share capital £000	Share premium account £000	Translation reserve £000	Retained earnings £000	Equity shareholders' funds £000	Minority interest £000	Total equity £000
<i>for the year ended 31 March 2023</i>							
Balance at 1 April 2021	4,074	555	44,612	1,851,935	1,901,176	926	1,902,102
Profit for the year	-	-	-	57,510	57,510	138	57,648
Foreign exchange translation differences	-	-	15,125	-	15,125	46	15,171
Distributions to minority interest	-	-	-	-	-	(171)	(171)
Dividends to equity shareholders	-	-	-	(18,251)	(18,251)	-	(18,251)
Balance at 31 March 2022	4,074	555	59,737	1,891,194	1,955,560	939	1,956,499
Balance at 1 April 2022	4,074	555	59,737	1,891,194	1,955,560	939	1,956,499
(Loss)/profit for the year	-	-	-	(31,308)	(31,308)	214	(31,094)
Foreign exchange translation differences	-	-	23,439	-	23,439	56	23,495
Dividends to equity shareholders	-	-	-	(18,903)	(18,903)	-	(18,903)
Balance at 31 March 2023	4,074	555	83,176	1,840,983	1,928,788	1,209	1,929,997

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED BALANCE SHEET

<i>as at 31 March 2023</i>	<i>Notes</i>	31 March 2023 £000	31 March 2022 £000
Assets			
Investment property	9	2,682,837	2,705,444
Deferred tax assets	10	–	118
Loan to a related party	11	225,000	225,000
Total non-current assets		2,907,837	2,930,562
Trade and other receivables	11	101,039	90,814
Current investments		131	132
Cash and cash equivalents	12	167,746	157,505
Total current assets		268,916	248,451
Total assets		3,176,753	3,179,013
Equity			
Share capital	14	4,074	4,074
Share premium		555	555
Translation reserve		83,176	59,737
Retained earnings		1,840,983	1,891,194
Total equity attributable to equity holders of the parent		1,928,788	1,955,560
Non-controlling interest		1,209	939
Total equity		1,929,997	1,956,499
Liabilities			
Loans and borrowings	16	496,675	744,109
Deferred tax liabilities	10	391,442	399,225
Lease obligations payable	9	8,185	8,234
Total non-current liabilities		896,302	1,151,568
Loans and borrowings	16	280,113	5,929
Trade and other payables	15	70,341	63,770
Taxation		–	1,247
Total current liabilities		350,454	70,946
Total liabilities		1,246,756	1,222,514
Total equity and liabilities		3,176,753	3,179,013

The financial statements on pages 52 to 86 were approved by the Board of Directors on 29 September 2023 and were signed on its behalf by:

B S E Freshwater

Director

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>for the year ended 31 March 2023</i>	31 March 2023 £000	31 March 2022 £000
Cash flows from operating activities		
Net cash generated from operations (Note 21)	60,250	46,613
Interest received	6,441	7,976
Interest paid	(31,456)	(26,163)
Tax paid	(8,437)	(3,750)
Net cash generated from operating activities	26,798	24,676
Cash flows from investing activities		
Acquisition and development of investment property	(23,405)	(14,715)
Proceeds from sale of investment property	17,202	29,658
Net cash (absorbed by)/generated from investing activities	(6,203)	14,943
Cash flows from financing activities		
Loan to related party	–	(2,307)
Repayment of bank loans	(508)	(758)
Repayment of mortgages	(36,328)	(53,433)
New mortgages	39,109	57,096
Dividends paid to equity holders of the parent	(18,903)	(18,251)
Payments to non-controlling interest	–	(171)
Net cash absorbed by financing activities	(16,630)	(17,824)
Net increase in cash and cash equivalents	3,965	21,795
Cash and cash equivalents brought forward	157,505	132,120
Effect of exchange rate fluctuations on cash held	6,276	3,590
Cash and cash equivalents (Note 12)	167,746	157,505

The accompanying notes form an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. *Significant Accounting Policies*

Daejan Holdings Limited is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 March 2023 comprise the Company and its subsidiaries (together referred to as “the Group”).

The consolidated financial statements were authorised for issuance on 29 September 2023.

(a) *Statement of compliance*

The consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards (“IFRS”).

The Company has elected to prepare its parent company financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and these are presented on pages 87 to 92.

(b) *Basis of preparation*

The consolidated financial statements are presented in sterling, the Company’s functional currency and the Group’s presentational currency, rounded to the nearest thousand. They are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property, derivative financial instruments, current asset investments and properties held for sale.

The Group has undertaken a detailed and robust assessment of its projected future financial position. As the Group has some £275 million of bank loans that mature within one year, the Board carefully considered the latest status of the negotiations with lenders regarding new and replacement loans. The assessment also considered the Group’s ability to meet its debts, the potential impact on property prices, demand for property and the associated impact on rents and yields of the current macroeconomic and political climate in the UK and USA.

The Group is now close to signing new loan agreements with three major banks in the UK for new or replacement loans and continues to have discussions with other lenders. In the unexpected event that one of these three banks decided against lending, the Group would still have sufficient cash resources to meet its liabilities as they fall due and the discussions with other potential lenders would be accelerated. The Board is confident that the borrowing options that the Group currently has are more than adequate. During the year, the Group generated over £60 million of cash from operations before tax and interest. If rent collection in the UK fell to 80% of rent demanded, down from 98.9% which is the percentage of UK rent for the year ended 31 March 2023 that had been collected at the date of signing this report, the Group would still have sufficient cash to operate. The ability to reduce expenditure quickly on development costs and dividends provide further security. The net current liability position of the Group is not considered to be a matter of concern.

The Board is satisfied that even in the plausible worst-case scenario, the Group will have sufficient resources to be able to continue to operate and there would be no material breaches of any of its loan covenants.

Consequently, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approving this Annual Report & Accounts. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts

of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of the events or amounts involved, actual results ultimately may differ from those estimates. The areas involving a higher degree of complexity, judgement or estimation are set out in Note 1(u) on page 61.

The accounting policies set out in this Note 1 have been applied consistently throughout the Group to all periods presented in the consolidated financial statements, except as described below.

Accounting standard changes

The Group has applied the following amendments to IFRSs during the year:

- Annual improvements to IFRS standards 2018-2020
- Property, plant and equipment proceeds before intended use – Amendments to IFRS 16
- References to the conceptual framework – Amendments to IFRS 3

The adoption of these amendments has not had a material impact on the consolidated financial statements.

The following amendments to standards and interpretations relevant to the Group have been issued but are not yet effective. None of these have been early-adopted by the Group and, based on the Group's ongoing assessment of each of them, none are expected to have a material impact on the Group's financial statements:

- Classification of liabilities as current or non-current – Amendments to IAS 1
- Disclosure of accounting policies – Amendments to IAS 1
- Definition of accounting estimates – Amendments to IAS 8
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

(c) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to direct relevant activities of an entity and an exposure to variable returns so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(d) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(e) Income available for distribution

Under the articles of association of certain Group investment undertakings, realised capital surpluses are not available for distribution as dividends.

(f) Foreign currency translation

The assets and liabilities of foreign operations are translated to sterling at the foreign exchange rate ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on re-translation are recognised directly in a separate component of equity. The cumulative translation difference for all foreign operations was deemed to be zero as at the date of transition to IFRS. The year end and average rates used for these purposes were as follows:

	<i>Year end</i>		<i>Average</i>	
	2023	2022	2023	2022
US Dollar	1.23	1.32	1.21	1.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(g) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risk arising from operational and financing activities. As these derivatives do not qualify for hedge accounting, they are accounted for as trading instruments. Derivative financial instruments are initially recognised, and subsequently recorded, at fair value. The fair value of interest rate swaps and caps is the estimated amount that the Group would recover or pay to terminate the swap or cap at the balance sheet date, taking into account current interest rates and the credit worthiness of the swap or cap counterparties. The gain or loss on re-measurement to fair value is recognised immediately in the income statement.

(h) Investment property and properties held for sale

IFRS defines investment properties as those which are held either to earn rental income or for capital appreciation or both. All of the Group's property falls within this definition. Investment property is initially recognised at cost and subsequently recorded at fair value. Properties held for sale are recorded at fair value.

External, independent valuation firms having appropriate recognised professional qualifications and recent relevant experience in the location and category of property being valued, value the portfolio annually at the Company's year end. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The valuations are prepared either by considering the aggregate of the net annual operating income from the properties using a market yield/capitalisation rate which reflects the risks inherent in the net cash flow which is then applied to the net annual operating income, or on a sales comparison basis. Any gains or losses arising from a change in fair value are recognised in the income statement.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be treated as an investment property, and is measured based on the fair value model. Interest is capitalised on such developments to the extent that such interest is directly attributable to the cost of redevelopment.

The Group's interest in some of its investment properties are in the form of a long lease as opposed to freehold ownership. Following the adoption of IFRS 16 Leases, the Group recognises as liabilities amounts payable under head leases and a corresponding right of use asset, which is included in investment property. These leased investment properties are initially recorded at the present value of the remaining lease payments and are then subsequently carried at fair value. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Leases held at the date of transition were discounted using the Group's incremental borrowing cost at that date.

Properties are classified as being held for sale when it is considered highly probable that a sale will be completed within one year of the classification date.

Acquisitions and disposals are recognised on the date that the significant risks and rewards of ownership have been transferred. Any resulting gain or loss based on the difference between sale proceeds and valuation is included in the income statement and taxation applicable thereto is shown as part of the taxation charge.

(i) Current investments

Investments comprise equity securities and other investments held for trading and classified as current assets stated at fair value, with any resultant gain or loss recognised in the income statement.

(j) Trade and other receivables

Trade and other receivables are initially stated at fair value and subsequently carried at amortised cost less an allowance for impairment. These assets are not discounted as the effect is deemed immaterial.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits and investments. These short term deposits and investments are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are repayable on demand and form an integral part of the Group's cash management. Bank overdrafts when utilised are therefore included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(l) Dividends

Dividends are recognised as a liability in the period in which they are approved.

(m) Trade and other payables

Trade and other payables are initially stated at fair value and subsequently carried at amortised cost.

(n) Net rental income

Net rental income comprises rent, service charges and other property related income receivable less applicable provisions and costs associated with the properties. Rental income from investment property leased out under operating leases is recognised in the income statement on a straight-line basis over the certain term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. If a rent review is due but not yet agreed with the tenant any expected rent increase is only recognised when receipt is highly probable. Service charge income is recognised as the services are provided. Net rental income is stated net of recoverable VAT.

The cost of repairs is written off to the income statement in the year in which the expenditure was incurred. Lease payments under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(o) Dividend income

Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which, in the case of quoted securities, is the ex-dividend date.

(p) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. The tax charge for the year is recognised in the income statement, the statement of comprehensive income or directly in equity, depending on the accounting treatment of the related transaction.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities (which, in the case of investment property, is assumed to be through sale), using tax rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(q) Segmental reporting

The Company has identified its operating segments on the basis of those components of the Group which engage in business activities from which they may earn revenues and incur expenses, and for which discrete financial information is available and regularly reviewed by the Chief Operating Decision Maker in order to allocate resources and assess performance. The Group has determined the Chief Operating Decision Maker to be the Board of Directors.

(r) Impairment

The carrying amounts of the Group's assets, other than investment property and properties held for sale (see Note 1(h)) and deferred tax assets (see Note 1(p)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value-in-use. The value-in-use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group makes a provision for impairment for the expected credit losses associated with its trade and other receivables reflecting historic credit loss experience, informed credit assessments and forward looking information.

The Group makes provisions of an amount equal to lifetime expected credit loss ("ECL"), except for debt securities and bank balances for which credit risk has not increased significantly since initial recognition which are measured as 12-month ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Credit losses are measured as the present value of all cash shortfalls and are discounted at the effective interest rate of the financial asset.

(s) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(t) Loans and borrowings

Floating rate and fixed rate loans and borrowings are initially recognised at fair value and are subsequently recorded at amortised cost. Transaction costs are deducted from the fair value at recognition and any differences between the amount initially recognised and the redemption value is recognised in the income statement over the period of the borrowings on an effective interest rate basis. When mortgages are refinanced, any redemption costs are immediately recognised in the income statement.

(u) Significant judgements, key assumptions and estimates

The Group's significant accounting policies are set out in 1(a) to 1(t) on pages 56 to 60. Not all of these policies require management to make subjective or complex judgements or estimates. The following is intended to provide further detail relating to the accounting policy that management considers particularly significant because of the level of complexity and estimation involved in its application and its impact on the consolidated financial statements.

Property valuations

The valuation of the Group'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 1(h), all the Group's properties are valued by external valuers with appropriate qualifications and experience.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued*2. Segmental Analysis*

The Group is managed through two discrete geographical divisions and has only one product or service, being investment in property for the generation of rental income and/or capital appreciation. This is reflected in the Group's structure and in the segment information reviewed by the Board.

<i>for the year ended 31 March 2023</i>	<i>UK</i> £000	<i>USA</i> £000	<i>Eliminations</i> £000	<i>Total</i> £000
Rental and related income	106,116	78,861	–	184,977
Property operating expenses	(57,622)	(47,225)	–	(104,847)
Profit on disposal of investment property	9,321	31	–	9,352
Net valuation movements on property	(78,307)	(11,862)	–	(90,169)
Administrative expenses	(15,688)	(2,922)	–	(18,610)
Profit before finance costs	(36,180)	16,883	–	(19,297)
Fair value gains	4,271	–	–	4,271
Other finance income	4,777	1,930	(199)	6,508
Finance expenses	(15,322)	(17,397)	199	(32,520)
(Loss)/profit before taxation	(42,454)	1,416	–	(41,038)
Income tax credit/(charge)	10,873	(929)	–	9,944
(Loss)/profit for the year	(31,581)	487	–	(31,094)
Capital expenditure	16,069	7,308	–	23,377
Investment property	1,853,960	828,877	–	2,682,837
Other assets	356,724	150,404	(13,212)	493,916
Total segment assets	2,210,684	979,281	(13,212)	3,176,753
Total segment liabilities	(689,504)	(570,464)	13,212	(1,246,756)
Capital employed	1,521,180	408,817	–	1,929,997

<i>for the year ended 31 March 2022</i>	<i>UK</i> £000	<i>USA</i> £000	<i>Eliminations</i> £000	<i>Total</i> £000
Rental and related income	102,623	65,763	-	168,386
Property operating expenses	(52,516)	(37,324)	-	(89,840)
Profit on disposal of property	15,941	(597)	-	15,344
Net valuation movements on property	74,124	26,948	-	101,072
Administrative expenses	(16,394)	(1,477)	-	(17,871)
Profit before finance costs	123,778	53,313	-	177,091
Fair value gains	5,298	-	-	5,298
Other finance income	3,392	461	(176)	3,677
Finance expenses	(11,436)	(15,147)	176	(26,407)
Profit before taxation	121,032	38,627	-	159,659
Income tax charge	(87,352)	(14,659)	-	(102,011)
Profit for the year	33,680	23,968	-	57,648
Capital expenditure	9,935	5,052	-	14,987
Investment property	1,920,620	784,824	-	2,705,444
Other assets	355,697	130,109	(12,237)	473,569
Total segment assets	2,276,317	914,933	(12,237)	3,179,013
Total segment liabilities	(703,925)	(530,826)	12,237	(1,222,514)
Capital employed	1,572,392	384,107	-	1,956,499

No single lessee accounted for more than 5% of the Group's rental and related income in either year.

3. *Property Operating Expenses*

	2023 £000	2022 £000
Movement in bad debt provision	(178)	540
Porterage, cleaning and repairs	50,208	39,710
Insurance	8,541	7,009
Building services	29,199	26,941
Other management costs	17,077	15,640
	104,847	89,840

Of the property operating expenses shown above, an amount of £1,150,000 (2022 - £1,238,000) related to properties which generated no income during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued*4. Administrative Expenses*

	2023 £000	2022 £000
Staff costs	7,516	6,856
Remuneration of directors of Daejan Holdings Limited	4,755	6,010
Remuneration of directors of subsidiary companies	1,659	1,270
Audit and accountancy	995	986
Legal and other administrative expenses	3,685	2,749
	18,610	17,871

Auditor's remuneration:

For the year, the fees payable to KPMG LLP were £50,000 (2022 – £50,000) for the audit of the Company and £800,000 (2022 – £850,000) for the audit of Group subsidiary companies, together with £Nil (2022 – £Nil) for audit related assurance services and £Nil (2022 – £Nil) for other services.

In the UK, the average number of staff provided by the property and administrative management companies who performed roles for the Group totalled 178 (2022 – 172). The average number of full time equivalents whose staff costs were borne by the Group during the year was 126 (2022 – 120). The aggregate staff cost of these persons is shown above and can be analysed as follows:

	2023 £000	2022 £000
Salaries	5,840	5,400
NI contributions	633	559
Pensions	1,043	897
	7,516	6,856

In addition the property and administrative management companies provide, under agency arrangements, staff to perform various caretaking roles. Those costs totalling £895,000 (2022 – £892,000) are included within property operating expenses (Note 3) under portage, cleaning and repairs.

Details of Directors' remuneration are set out in the Directors' Remuneration Report.

5. Finance Income and Expenses

	2023 £000	2022 £000
Finance income:		
Bank interest receivable	2,033	–
Other finance income	4,475	3,677
	6,508	3,677
Finance expenses:		
Interest payable on bank loans	13,049	9,099
Interest payable on mortgages	18,974	16,529
Interest on lease obligation payable	496	499
Other interest payable	1	280
	32,520	26,407

6. Taxation

Taxation based on the profit for the year of the Company and its subsidiaries:

	2023 £000	2022 £000
UK corporation tax	5,937	7,973
UK prior year items	(663)	(399)
	5,274	7,574
Overseas taxation	875	792
Total current tax	6,149	8,366
Deferred tax	(16,093)	31,050
Deferred tax – increase in future tax rate	–	62,595
Total deferred tax	(16,093)	93,645
Total tax (credit)/charge	(9,944)	102,011
Reconciliation of tax expense		
(Loss)/profit before taxation	(41,038)	159,659
Corporation tax at the standard UK rate of 19% (2022 – 19%)	(7,797)	30,335
Increase in future tax rate	–	62,595
Prior year items	(663)	(509)
Impact of different tax rates	(3,988)	8,572
Indexation and non-taxable items	1,738	–
Non-allowable expenses	766	666
Other	–	352
Total tax (credit)/charge	(9,944)	102,011

The rate of UK corporation tax throughout the current and prior year was 19%. The rate increased to 25% from 1 April 2023, a change that was enacted in the summer of 2021. Last year we therefore recalculated our UK deferred tax balances at 25%, the rate expected to apply when profits are realised and this resulted last year in a one-off tax charge of £59,345,000. In the USA, our USA results are subject to Federal and State taxes at a rate of 28.3%. This USA rate increased last year and the recalculation of our USA deferred tax balances last year resulted in a one-off deferred tax charge of £3,250,000.

The Group's effective tax rate for the current year was 24% (2022 – 64%). Last year, removing the recalculation of the deferred tax liabilities due to tax rate changes (£62,595,000) and prior tax credits of £509,000 our effective tax rate in the UK was 23.5% and in the USA 29.8%.

7. (Loss)/Earnings per Share

Earnings per share is calculated on the loss, after taxation and non-controlling interests, of £31,308,000 (2022 – profit of £57,510,000) and the weighted average shares in issue during the year of 16,295,357 (2022 – 16,295,357).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued*8. Dividends*

	2023	2022
	£000	£000
Amounts recognised as distributions to equity holders in the year:		
First interim dividend for the year ended 31 March 2022, approved 18 August 2021 @ 56p per share	–	9,125
Second interim dividend for the year ended 31 March 2022, approved 7 March 2022 @ 56p per share	–	9,126
First interim dividend for the year ended 31 March 2023, approved 3 August 2022 @ 58p per share	9,451	–
Second interim dividend for the year ended 31 March 2023, approved 28 March 2023 @ 58p per A share and 58p per B share	9,452	–
	18,903	18,251

9. Investment Property

	<i>Freehold</i>	<i>Long leasehold</i>	<i>Short leasehold</i>	Total	Total
	£000	£000	£000	2023	2022
	£000	£000	£000	£000	£000
Balance at 1 April	2,189,900	487,221	28,323	2,705,444	2,564,445
Disposals	(3,331)	(2,580)	–	(5,911)	(7,133)
New acquisitions	3,893	62	–	3,955	138
Additions to existing properties	13,884	5,538	–	19,422	14,849
Revaluation (recognised in profit)	(83,811)	(4,748)	(1,610)	(90,169)	101,072
Foreign exchange movements	44,661	5,435	–	50,096	32,073
Balance at 31 March	2,165,196	490,928	26,713	2,682,837	2,705,444

External, independent professional valuations of all the Group's UK investment properties were carried out by Colliers International Property Advisers UK LLP, RICS Registered Valuers at 31 March 2023. The aggregate amount of £1,859.2 million (2022 – £1,926.4 million) is based on open market values, assessed in accordance with the RICS Valuation – Current Global Standards (incorporating the International Valuation Standards). The Group's USA investment properties were independently professionally valued at 31 March 2023 by Jones Lang Lasalle, USA Certified Real Estate Appraisers ("JLL"). JLL acquired Metropolitan Valuation Services, Inc., which valued the Group's USA investment properties at 31 March 2022, on 6 July 2022. The aggregate amount of £832.4 million (2022 – £787.7 million) is based on open market values, assessed in accordance with the Standards of Professional Appraisal Practice of the Appraisal Institute. Both valuers have recent experience in the location and category of the properties being valued.

The aggregate professional valuations included in the above table have been reduced by an amount of £17.0 million (2022 – £17.0 million), relating to lease incentives included in Trade and other receivables and increased by an amount of £8.2 million (2022 – £8.3 million) relating to lease obligations.

Valuation techniques and key inputs

The valuation techniques used are set out below and the key inputs used in these valuation techniques are set out in the tables over the page.

Most UK commercial property was valued using the income capitalisation method, requiring the application of the 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. Estimated fair value is sensitive to and would increase if either net operating income increased or estimated yield decreased. The valuation of hotels incorporates the reversionary value subsequent to the expiry of the existing lease. Development schemes, where planning consent has been obtained, are valued on a residual basis.

UK residential property was valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect the status of occupation and condition. The largest discounts for the status of occupation were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. The base discount for condition was maintained at 10% in 2023 reflecting current estimates of costs being incurred. It is estimated that an increase of one percentage point in this discount would result in a decrease of £10.0 million (2022 – £9.5 million) in the value of investment property. Estimated fair value is sensitive to and would increase if the sales values increased.

USA commercial and residential properties (excluding co-operative apartments) have been valued using the application of a capitalisation rate, based on recent arm's length transactions, to an assessment of stabilised net income, and for residential properties the values are cross-checked to recent comparative sales evidence. USA commercial and residential estimated fair value is sensitive to and would increase if either capitalisation rates decreased or estimated rental values increased.

USA co-operative residential apartments have been valued using the application of a discount rate, based on recent arm's length transactions, to an assessment of net income over the period to full reversion, cross-checked to recent comparative sales evidence. USA unsold co-operative residential apartments estimated fair value is sensitive to and would increase if either discount rates decreased, estimated rental values increased or estimated sales values increased.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2023	Fair value £000	Rental value £ per sq ft			Equivalent yield %		
		Low	Average	High	Low	Average	High
UK commercial							
Office units							
Greater London	285,174	7.5	53.9	75.0	4.7%	5.7%	14.9%
UK – South	27,404	2.0	16.0	53.2	6.0%	9.4%	22.6%
UK – North	7,977	3.4	11.0	18.7	7.5%	11.1%	14.9%
Retail units							
Greater London	197,706	5.8	27.8	78.2	1.0%	7.1%	15.2%
UK – South	109,787	0.2	14.8	37.5	2.2%	8.8%	25.8%
UK – North	19,470	2.1	10.0	28.6	8.0%	10.9%	14.5%
Industrial units							
All UK	71,458	2.0	9.5	33.1	4.5%	7.2%	10.0%
Leisure and service units							
All UK	272,490	4.4	18.1	46.2	5.9%	6.9%	15.0%
Land and development							
All UK	2,910	-	-	-	-	-	-
Total UK commercial	994,376						
UK residential							
		Sales value £ per sq ft					
Greater London	779,110	381	629	1,788	-	-	-
UK – South	89,268	137	338	586	-	-	-
UK – North	4,520	164	203	320	-	-	-
Total UK residential	872,898						
Total UK	1,867,274						
USA commercial							
		Rental value £ per sq ft			Capitalisation rate %		
Massachusetts, Philadelphia and New Jersey	110,391	8.9	33.0	38.6	5.5%	5.6%	6.8%
Total USA commercial	110,391						
USA residential apartments							
		Rental value £ per sq ft			Capitalisation rate %		
New York City	158,743	8.9	12.1	28.0	4.5%	5.7%	6.0%
Florida	348,263	9.1	12.2	13.7	5.5%	5.8%	6.8%
Other States	129,910	11.6	13.0	15.1	4.5%	5.6%	6.0%
New York City – unsold co-operative	85,221	3.7	15.6	70.1	9.0%	10.6%	13.0%
Total USA residential	722,137						
Total USA	832,528						
Total Group	2,699,802						
Less lease incentives	(16,965)						
	2,682,837						

2022	Fair value £000	Rental value £ per sq ft			Equivalent yield %		
		Low	Average	High	Low	Average	High
UK commercial							
Office units							
Greater London	310,407	8.0	54.1	68.5	4.6%	5.0%	12.8%
UK – South	34,723	2.0	16.5	52.7	5.0%	9.4%	20.1%
UK – North	8,917	3.4	11.3	17.5	7.0%	10.7%	14.0%
Retail units							
Greater London	232,592	5.8	26.3	66.0	1.0%	6.7%	45.0%
UK – South	108,904	0.2	14.4	37.2	2.2%	8.4%	20.7%
UK – North	19,238	2.1	9.9	28.6	7.6%	11.4%	14.6%
Industrial units							
All UK	70,727	2.0	9.9	33.1	3.5%	6.1%	10.1%
Leisure and service units							
All UK	266,001	4.4	19.2	46.2	5.1%	6.6%	15.0%
Land and development							
All UK	1,510	-	-	-	-	-	-
Total UK commercial	1,053,019						
UK residential							
		Sales value £ per sq ft					
Greater London	785,382	337	803	1,541			
UK – South	91,502	133	334	505			
UK – North	4,564	116	189	241			
Total UK residential	881,448						
Total UK	1,934,467						
USA commercial							
		Rental value £ per sq ft			Capitalisation rate %		
Massachusetts, Philadelphia and New Jersey	104,270	8.4	30.1	35.6	5.0%	5.1%	6.8%
Total USA commercial	104,270						
USA residential apartments							
		Rental value £ per sq ft			Capitalisation rate %		
New York City	163,026	8.4	11.4	26.3	3.8%	5.0%	5.3%
Florida	307,025	8.6	11.4	12.8	5.3%	5.4%	6.0%
Other States	128,625	10.9	12.2	14.2	4.3%	5.1%	5.5%
New York City – unsold co-operative	85,051	3.5	14.4	79.1	8.0%	9.6%	12.0%
Total USA residential	683,727						
Total USA	787,997						
Total Group	2,722,464						
Less lease incentives	(17,020)						
	2,705,444						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

There are inter-relationships between the groups of inputs as they are determined by market conditions. Movements in more than one input having the effect of increasing fair value could give rise to a magnifying effect on the valuation. Due to the number of properties included in the Group's valuations, it is impracticable to disclose the extent of the possible effects of each assumption and it is possible that outcomes that are different from the current assumptions could result in a material adjustment to the valuation.

As explained in Note 1(u), property valuations are 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. These fair value measurements are unrealised and investment property is classified as Level 3 as defined by IFRS 13 *Fair Value Measurement*. There have been no transfers between the levels of fair value hierarchy during the year.

Future minimum lease payments

The present value of future minimum lease payments in relation to leasehold investment properties is £8.2 million at 31 March 2023 (2022 – £8.3 million). In determining the present value, the Group used the estimated incremental borrowing cost at the date of transition as the discount rate. In accordance with the accounting policy described in Note 1(h) following the introduction of IFRS 16 *Leases*, a right of use asset has been recognised in the property valuation.

Reconciliation between the total of future minimum lease payments and their present capital values

	2023			2022		
	<i>Minimum</i>	<i>Interest</i>	<i>Present</i>	<i>Minimum</i>	<i>Interest</i>	<i>Present</i>
	<i>lease</i>	<i>on lease</i>	<i>value</i>	<i>lease</i>	<i>on lease</i>	<i>value</i>
	<i>payments</i>	<i>payments</i>	<i>of lease</i>	<i>payments</i>	<i>payments</i>	<i>of lease</i>
	<i>£000</i>	<i>£000</i>	<i>liabilities</i>	<i>£000</i>	<i>£000</i>	<i>liabilities</i>
Due within one year	539	(494)	45	538	(496)	42
Due within two to five years	2,153	(1,947)	206	2,151	(1,960)	191
Due after more than five years	41,466	(33,487)	7,979	42,116	(34,073)	8,043
	44,158	(35,928)	8,230	44,805	(36,529)	8,276

Capital commitments, arising from contractual obligations not yet invoiced or paid, for the purchase, construction, development or enhancement of investment properties, amounted to £3.8 million at 31 March 2023 (2022 – £3.7 million).

10. Deferred Tax Assets and Liabilities

	2023			2022		
	Assets £000	Liabilities £000	Net £000	Assets £000	Liabilities £000	Net £000
Investment property	–	(342,739)	(342,739)	–	(357,081)	(357,081)
Accelerated tax depreciation	–	(46,618)	(46,618)	–	(41,009)	(41,009)
Financial instruments	–	(2,085)	(2,085)	118	(1,135)	(1,017)
	–	(391,442)	(391,442)	118	(399,225)	(399,107)

The movement in deferred tax is as follows:

	<i>Accelerated</i>			<i>Financial</i>	
	<i>Investment</i>	<i>depreci-</i>	<i>instru-</i>	<i>Total</i>	<i>Total</i>
	<i>property</i>	<i>ation</i>	<i>ments</i>	<i>2023</i>	<i>2022</i>
	£000	£000	£000	£000	£000
Balance at 1 April	(357,081)	(41,009)	(1,017)	(399,107)	(300,483)
Recognised in income	20,716	(3,555)	(1,068)	16,093	(93,645)
Foreign exchange movements	(6,374)	(2,054)	–	(8,428)	(4,979)
Balance at 31 March	(342,739)	(46,618)	(2,085)	(391,442)	(399,107)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued*11. Trade and Other Receivables*

	2023	2022
	£000	£000

Non-current assets

Loan to a related party	225,000	225,000
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Further detail is provided in Note 18 and Note 25.

	2023	2022
	£000	£000

Current assets

Rent and service charges debtor	40,657	41,914
Rent and service charges accrued	3,053	3,237
Other debtors and prepayments	47,010	40,204
Derivative financial instruments	8,340	4,539
Mortgages granted repayable within one year	633	615
Corporation tax recoverable	1,346	305
	101,039	90,814

The ageing of rent and service charge receivables was as follows:

	2023	2022
	£000	£000
Not past due	23,704	25,615
Past due by less than one month	4,228	5,932
Past due by one to three months	2,059	3,631
Past due by three to six months	1,571	1,698
Past due by more than six months	21,610	19,912
	53,172	56,788
Impairment	(9,462)	(11,637)
Net	43,710	45,151

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2023	2022
	£000	£000
Balance at 1 April	11,637	12,177
Amounts written off	(1,997)	(1,080)
Movement in allowance for impairment	(178)	540
Balance at 31 March	9,462	11,637

12. Cash and Cash Equivalents

	2023 £000	2022 £000
Bank balances	64,603	157,286
Short term deposits and investments	103,143	219
Cash and cash equivalents	167,746	157,505

Included within bank balances are tenants' deposits of £4,809,000 (2022 - £4,608,000) in the UK and £3,359,000 (2022 - £3,202,000) in the USA, which cannot be used in the ordinary course of business. Included within short term deposits and investments are £72,924,000 (2022 - £nil) of USA Treasury Bills.

13. Properties held for sale

Properties held for sale are recorded at their fair value. The fair value is a Level 3 valuation as defined by IFRS 13 and is based on offers received discounted for risks of completion. There were no properties held for sale at the end of the current or previous financial year.

14. Share Capital

	2023 Number	2023 £000	2022 Number	2022 £000
Allotted, called up and fully paid:				
Ordinary shares of 25 pence per share	–	–	16,295,357	4,074
Ordinary A shares of 25 pence per share	3,347,364	837	–	–
Ordinary B shares of 25 pence per share	12,947,993	3,237	–	–
Ordinary shares of 25 pence per share	16,295,357	4,074	16,295,357	4,074

In November 2022, the Company reclassified the 3,347,364 ordinary shares that were owned by Dock Newco Limited to Ordinary A shares. The remaining 12,947,993 ordinary shares were reclassified to Ordinary B shares.

None of the shares have or had any special rights or rights to fixed income in the current or previous year. There are and have been no restrictions on the transfer of these shares or restrictions on voting rights in either the current or previous year.

15. Trade and Other Payables

	2023 £000	2022 £000
Rent and service charges charged in advance	28,822	26,859
Other creditors and accruals	41,474	36,399
Derivative financial instruments	–	470
Lease obligations payable	45	42
	70,341	63,770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued*16. Loans and Borrowings*

	2023 £000	2022 £000
Non-current liabilities		
Mortgages	432,175	405,208
Bank loans	64,500	338,901
	496,675	744,109
Current liabilities		
Mortgages	4,683	4,393
Bank loans	275,430	1,536
	280,113	5,929
Total loans and borrowings		
Mortgages	436,858	409,601
Bank loans	339,930	340,437
	776,788	750,038

All mortgages and bank loans are secured on specific investment properties owned by subsidiary undertakings.

The maturity profile of the Group's loans and borrowings was as follows:

	2023		2022	
	Bank loans £000	Mortgages £000	Total £000	Total £000
Due within one year	275,430	4,683	280,113	5,929
Due within one to two years	64,500	5,246	69,746	57,373
Due within two to five years	–	41,039	41,039	321,629
Due after more than five years	–	385,890	385,890	365,107
	339,930	436,858	776,788	750,038

The risk profile of the Group's loans and borrowings, after taking account of interest rate swaps, was as follows:

	2023			2022		
	Fixed £000	Floating £000	Total £000	Fixed £000	Floating £000	Total £000
Sterling	56,792	309,930	366,722	58,005	310,437	368,442
US Dollar	410,066	–	410,066	381,596	–	381,596
	466,858	309,930	776,788	439,601	310,437	750,038

Included in the bank loans due within one year in the table above is £225 million which is due for repayment in late February 2024 and £50 million which is due for repayment at the end of March 2024.

At the date of signing this report, the Group had signed heads of terms for a new £100 million five year loan from a major global bank. The Group also had draft heads of terms from two other banks for five year loans of £125 million and £100 million. Additionally, the loan agreement for the £225 million allows for the Group to request a one year extension. Less advanced discussions continue with other financial institutions.

The Group therefore has multiple funding options with the aggregate amount well in excess of expected needs. Whilst the recent rises in interest rates will inevitably increase the cost of the interest rate caps and swaps, the Board considers the overall expected cost of available finance to be entirely affordable. During the year ended 31 March 2022, the reference rate on UK floating rate bank loans transitioned from LIBOR to an equivalent SONIA plus a credit adjustment spread. The Group's interest rate cap and swaps are set out in Note 17 on page 78. The interest rate profile of the Group's fixed rate mortgages was as follows:

	2023 £000	2022 £000
Per cent.		
2.5-3.0	48,717	45,729
3.0-3.5	99,301	127,974
3.5-4.0	115,984	119,074
4.0-4.5	69,422	44,283
4.5-5.0	67,656	44,535
5.0-5.5	12,544	12,846
5.5-6.0	15,677	6,809
6.0-6.5	7,557	8,351
	436,858	409,601

The weighted average rate and the weighted average term of the Group's fixed rate loans and borrowings (after taking account of interest rate swaps) were as follows:

	2023 %	2022 %	2023 Years	2022 Years
Sterling	5.71	3.60	9.4	8.1
US Dollar	3.81	3.65	7.2	7.7

17. Financial Assets and Liabilities

The Group's financial instruments are analysed into categories as follows:

	2023		2022	
	Carrying amount £000	Financing income/ (expense) £000	Carrying amount £000	Financing income/ (expense) £000
Current asset investments	131	–	132	–
Derivative financial instruments	8,340	4,271	4,069	5,298
Current assets at fair value through profit or loss	8,471	4,271	4,671	3,953
Current liabilities at fair value	–	–	(470)	1,345
Trade and other receivables	317,699	4,475	311,275	3,677
Cash and cash equivalents	167,746	2,033	157,505	–
Assets at amortised cost	485,445	6,508	468,780	3,677
Trade and other payables	(70,296)	(1)	(63,258)	(280)
Lease obligations payable	(8,230)	(496)	(8,276)	(499)
Floating rate loans and borrowings	(339,930)	(13,049)	(340,437)	(9,099)
Fixed rate loans and borrowings	(436,858)	(18,974)	(409,601)	(16,529)
Current and non-current liabilities at amortised cost	(855,314)	(32,520)	(821,572)	(26,407)
Total financial instruments	(369,869)	(21,741)	(348,591)	(17,432)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The finance income of £4,271,000 (2022 – £5,298,000) relating to derivative financial instruments is stated net of £110,000 expenses (2022 – £113,000) relating to credit risk movements.

Fair values of financial instruments

With the exception of fixed rate loans and borrowings, the Group's financial instruments are shown in the table on page 75 at fair value. Fixed rate loans and borrowings are stated at amortised cost as shown in the table on page 75 and as explained in Note 1(t). The fair value of fixed rate loans and borrowings was £387,462,000 (2022 – £401,982,000). At both the current and preceding year end there were no non-recurring fair value measurements.

The Group does not hedge account and all its interest rate swaps and caps are initially recognised, and subsequently recorded, at fair value, with any movement being recorded in the consolidated income statement. The fair values of all interest rate swaps, caps and fixed rate loans and borrowings are determined by reference to observable inputs that are classified as Level 2 in the fair value hierarchy set out in IFRS 13 *Fair Value Measurement*. Fair values have been determined by discounting expected future cash flows using market interest rates and yield curves over the remaining term of the instrument, as adjusted to reflect the credit risk attributable to the Group and, where relevant, its counterparty.

Financial instrument risk management

In common with all businesses, the Group is exposed to the following types of risk which arise from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the nature of the Group's exposure to such risks, its objectives, policies and processes for measuring and managing risk and the Group's management of capital. Reference to disclosures given elsewhere in the financial statements is included as appropriate.

The Board has overall responsibility for determining the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, has delegated to the finance function the authority for designing and operating processes that ensure the effective implementation of those objectives. The overall objectives of the Board are to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Credit risk

The Group's exposure to credit risk arises from the potential financial loss if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables from tenants and from a loan made to a connected company.

Trade receivables

The majority of the Group's commercial rental income is demanded quarterly in advance and its residential rental income is demanded monthly in advance. Demands are sent out prior to the due date, although the Group did agree to some temporary variations to this for a small number of commercial tenants during the height of the Covid-19 pandemic. Management monitors arrears continually and prompt action is taken to address potential defaults as appropriate. The credit worthiness of each tenant is assessed prior to the agreement of the lease. Where appropriate, collateral is required by the Group to support lease obligations. In many cases this takes the form of a tenant security deposit but also includes parent company guarantees, bank or other guarantees where appropriate. Provision is made based upon an expected credit loss model, with full provision for impairment usually being made where a tenant is in arrears for more than a year. Details of the Group's trade receivables and the extent of impairment provisions against them are set out in Note 11.

Due to the large number of tenants across various sectors and geographical locations, the Board does not consider there to be a significant concentration of credit risk.

Other receivables

Included in other receivables in Note 11 is a material loan made to a connected company which is wholly controlled by the Freshwater family. The risk of default is considered remote.

Cash and derivative financial instruments

The credit rating of counterparties to financial instruments is kept under review. The Group's interest rate swaps are with major financial institutions and the Group does not consider counterparty risk on swaps to represent a major risk at the current time. The Group's interest rate caps are also with major financial institutions and are linked to borrowings provided to the Group by the same financial institutions. The counterparty risk on cash and short-term deposits is managed by limiting the aggregate exposure to any institution by reference to their credit rating. Such balances are generally placed with major financial institutions where credit risk is not considered significant.

Maximum exposure

The aggregate carrying amounts of the Group's financial assets, which are stated net of impairment provisions, represents the Group's maximum exposure to credit risk, before taking into account the value of the tenant security deposits held and other collateral.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due and arises from the Group's management of its working capital and the finance charges and amortisation of its loans and borrowings.

The Group's policy is to seek to maintain cash balances to meet all short and medium term requirements. The Group has a low level of gearing relative to the property investment sector as a whole and has long standing relationships with many leading banks and financial institutions from which the Board expect to be able to raise further funds if required. At 31 March 2023, gearing was 24.5% (2022 - 23.6%) (see note 23). Cash and short-term deposits and investments at 31 March 2023 were £167.7 million (2022 - £157.5 million) and £280.1 million of loans and borrowings were repayable within one year (2022 - £5.9 million). In addition, at the same date, the Group had undrawn committed facilities of £55.0 million (2022 - £55.0 million), which expire in 2024. As explained in Note 16 on pages 74 and 75, the Group has multiple funding options available to enable it to meet its financial obligations as they fall due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The maturity analysis of the undiscounted cash flows arising from the Group's financial liabilities at 31 March 2023 was as follows:

	<i>Carrying amount</i>	<i>Aggregate undiscounted cash flows</i>	2023			
			<i>Due within one year</i>	<i>Due within 1-2 years</i>	<i>Due within more than 2-5 years</i>	<i>Due after more than 5 years</i>
	£000	£000	£000	£000	£000	£000
Bank loans	339,930	339,930	275,430	64,500	–	–
Mortgages	436,858	436,858	4,683	5,246	41,039	385,890
Interest	–	154,130	34,381	17,731	51,461	50,557
Lease obligations payable	8,230	44,157	538	538	1,615	41,466
Trade and other payables	70,341	70,341	70,341	–	–	–
	855,359	1,045,416	385,373	88,015	94,115	477,913

	<i>Carrying amount</i>	<i>Aggregate undiscounted cash flows</i>	2022			
			<i>Due within one year</i>	<i>Due within 1-2 years</i>	<i>Due within more than 2-5 years</i>	<i>Due after more than 5 years</i>
	£000	£000	£000	£000	£000	£000
Bank loans	340,437	340,437	1,536	49,609	289,292	–
Mortgages	409,601	409,601	4,393	7,764	32,337	365,107
Interest	–	113,241	23,760	23,494	50,807	15,180
Interest rate swaps	470	2,855	455	455	1,278	667
Lease obligations payable	8,276	44,805	538	538	1,613	42,116
Trade and other payables	63,258	63,258	63,258	–	–	–
	822,042	974,197	93,940	81,860	375,327	423,070

Market risk

Market risk arises mainly from the impact that changes in interest rates might have on the cost of Group borrowing and the impact that changes in the US dollar/sterling rate of exchange might have on the Group's recognition of its USA net assets.

Interest rates

The Group seeks to reduce the interest rate risk by fixing rates on a majority of its loans and borrowings, whilst maintaining some loans at floating rates in order to retain flexibility in relation to short term interest rates. Interest rates are fixed either through the use of fixed rate mortgage finance or through interest rate swaps. On the £225 million borrowing, the Group capped its exposure to interest rate movements by entering into £225 million of 0.5% interest caps with a reducing notional. The Group does not speculate in treasury products but uses these only to limit exposure to potential interest rate fluctuations. The interest rate profile of the Group's loans and borrowings is set out in Note 16.

It is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before taxation by approximately £1.5 million per annum, on the basis of the floating rate debt outstanding at 31 March 2023, after taking account of the interest swaps and caps in place.

There also exists a risk to the income statement arising from the recognition and re-measurement of interest rate swaps at fair value. It is estimated that a general increase of one percentage point in interest rates would give rise to an increase in the fair value of interest rate swaps outstanding at 31 March 2023 of £1.4 million, together with a corresponding reduction in the Group's loss before taxation.

Derivative financial instruments

The derivative financial instruments held by the Group at the year end were as follows:

	Class	Contracted rate		Notional principal		Fair value	
		2023	2022	2023	2022	2023	2022
		%	%	£000	£000	£000	£000
Maturing within one year	Cap	0.5	0.5	150,000	175,000	5,342	4,539
Maturing within 2 – 5 years	Swap	1.2	-	5,000	-	2,619	-
Maturing after 5 years	Swap	1.7	1.6	25,000	30,000	379	(470)
				180,000	205,000	8,340	4,069

Foreign exchange rates

The Group seeks to reduce its exposure to foreign currency risk in relation to its USA net assets by funding its USA investment property with US dollar denominated loans and borrowings. As the Group's investment in USA assets are held for the long term and funds are not usually returned to the UK, the Group's policy is not to hedge its residual exposure. Management monitors exchange rates on a regular basis and elects to transfer funds only when the rate is favourable to do so.

It is estimated that a ten percentage point decrease in the value of the US dollar against sterling would result in a decrease in the sterling value of the Group's USA net assets of £37.3 million.

Capital management

The capital structure of the Group consists of equity attributable to equity holders of the parent together with net debt. This is kept under constant review to ensure the Group has sufficient capital to fund its operations and that the Group's strategy of low gearing is maintained. The Group seeks to maintain a balance between longer-term finance appropriate to fund its long-term investment property holding strategy and medium-term finance which provides a more cost effective source of finance. Equity comprises issued share capital, reserves and retained earnings as set out in the consolidated statement of changes in equity. Net debt comprises a mix of fixed rate mortgages and shorter-term bank loans as set out in Note 16 and cash and short term deposits and investments as set out in Note 12. All loans and borrowings are secured against investment property and the bank loans are drawn against committed facilities.

18. Related Party Transactions

Day-to-day management of the Group's properties and its operations in the UK is mainly carried out by Highdorn Co. Limited ("Highdorn") and by Freshwater Property Management Limited ("FPM"). Mr B S E Freshwater and Mr S I Freshwater are Directors of both companies. They have no beneficial interest in the share capital of Highdorn. Mr B S E Freshwater, Mr S I Freshwater and Mr D Davis are Directors of the parent company of FPM but have no beneficial interest in either company. Mr C B Freshwater and Mr R E Freshwater have a beneficial interest in a trust holding interests in shares in Highdorn.

In their capacity as property managing agents, Highdorn and FPM collect rents and incur direct property expenses on behalf of the Group. Additionally Highdorn leases offices, from which it operates, from the Group. At 31 March 2023, the aggregate net amounts due to the Group from Highdorn and FPM was £14.7 million (2022 – £12.2 million due to the Group from Highdorn and FPM). These amounts are not secured and are payable on demand. No guarantees have been given or received and the amounts are settled in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Included in the balance above are amounts paid and payable by the Group for the provision of property and other management services to Highdorn and FPM, which were as follows:

	2023 £000	2022 £000
Balance due to related party managing agents at 1 April	3,156	2,129
Charged during the year	6,070	5,089
Paid during the year	(7,468)	(4,062)
Balance due to related party managing agents at 31 March	1,758	3,156

Mr B S E Freshwater, Mr S I Freshwater and Mr D Davis are trustees of two charities that owned 6.3% of the share capital of the Company throughout the year. These charities have received dividend payments in the year of £1,198,242 (2022 – £1,156,923). The Directors' interests in the Company and the principal shareholders are described on pages 37 and 38. The Board considers that the Directors are the key management personnel of the Group and their remuneration is disclosed on pages 44 and 45.

At 31 March 2023, the Group was owed £4,690,000 (2022 – £4,559,000) by Centremanor Limited, a company that Mr B S E Freshwater and Mr D Davis are directors of. The balance is repayable on demand.

In June 2020 the Group lent £225,000,000 to Daejan Group Holdings Limited (formerly Dock Newco Limited) at a commercial arm's length interest rate of LIBOR plus 1.85%. Following the transition from LIBOR to SONIA on UK floating rate bank loans during the prior year, the interest rate is now calculated with reference to SONIA plus a credit adjustment spread. There has been no material gain or loss of this change to the Group. The loan is due for repayment on 21 February 2025. Mr B S E Freshwater and Mr S I Freshwater were directors of Daejan Group Holdings Limited throughout the year. They had no beneficial interest in the share capital of the company or of its ultimate holding companies during the year. Linnet Limited, which was the ultimate parent of Daejan Group Holdings Limited for part of the year disposed of Daejan Group Holdings Limited in November 2022 and it was acquired by two companies whose directors include Mr A M Freshwater, Mr B S E Freshwater, Mr C B Freshwater and Mr R E Freshwater. Mr A M Freshwater, Mr C B Freshwater and Mr R E Freshwater are beneficiaries of trusts that ultimately own these two companies. At 31 March 2023 Daejan Group Holdings Limited owned 20.5% of the share capital of Daejan Holdings Limited. During the year the Group charged Daejan Group Holdings Limited £4,347,855 (2022 – £3,325,000) in interest and associated fees (included in other finance income, note 5) and as at the end of both the current and preceding year Daejan Group Holdings Limited owed the Group £225 million (included in non-current assets, note 11). As explained in Note 25, Daejan Group Holdings Limited became the sole shareholder of the Company in June 2023.

19. *Contingent Liabilities*

The Group is from time to time party to legal actions arising in the ordinary course of business. The Directors are not aware of any current actions which could have a material adverse effect on the financial position of the Group.

20. *Operating Lease Agreements*

The Group earns rental income by leasing its investment properties to tenants under operating leases which vary in terms and provisions between type of property and type of tenure. Leases providing for contingent rents are rare within the Group's property portfolio and no amounts for contingent rents are included in rental income for the year (2022 – £Nil).

At the balance sheet date, future minimum lease payments receivable by the Group under operating leases were as follows:

	2023 £000	2022 £000
Due within one year	117,363	61,726
Due within one to two years	62,916	51,066
Due within two to five years	119,706	111,432
Due after more than five years	293,003	313,959
	592,988	538,183

Many of the Group's residential properties are let under assured shorthold tenancies which typically are for initial terms of 12 months or less, whereafter they are cancellable at short notice. The Group's experience is that a significant proportion of such tenancies are held over after the expiry of their initial term.

21. Notes to the Consolidated Statement of Cash Flows

Cash generated from operations

	2023 £000	2022 £000
Net operating (loss)/profit before net financing costs	(19,297)	177,091
Adjusted for:		
Net valuation loss/(gain) on investment property (Note 9)	90,169	(101,072)
Net gain on sale of investment property	(9,352)	(15,344)
Cash flows from operations before changes in working capital	61,520	60,675
Changes in working capital:		
Change in trade and other receivables	(6,083)	(6,787)
Change in trade and other payables	4,813	(7,275)
Working capital movement	(1,270)	(14,062)
Cash generated from continuing operations	60,250	46,613

Change in liabilities during the year relating to financing activities

	2023 £000	2022 £000
Total loans and borrowings at 1 April (Note 16)	750,038	731,177
Repayment of bank loans	(508)	(758)
Repayment of mortgages	(36,328)	(53,433)
New mortgages	39,109	57,096
Foreign exchange impact	24,477	15,956
Total loans and borrowings at 31 March (Note 16)	776,788	750,038

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. *Subsidiary Undertakings*

At 31 March 2023, except where indicated, the following were indirect subsidiaries of the Company, where the Company's direct and indirect interest is in ordinary shares. All were wholly owned, except as indicated, and are included in the consolidated financial statements.

Daejan Holdings Limited has guaranteed the liabilities of certain subsidiaries under Sections 479A and 479C of the Companies Act (2006).

Those companies on pages 82 and 83 marked by [Ⓐ] will take advantage of the audit exemption set out within Section 479A of the Companies Act (2006) for the year ended 31 March 2023. The assets, liabilities and results for the year of these companies have been audited as part of the group audit however these companies are exempt from having their own financial statements audited.

Incorporated in Great Britain and registered in England and Wales

Registered office: Freshwater House, 158 – 162 Shaftesbury Avenue, London WC2H 8HR

	Company number		Company number
Agecroft Estates Ltd	457090	Coinspear Limited*	6750057
Alsam Limited	461238	Coinsun Limited [Ⓐ]	4204282
Astral Estates (London) Limited	427644	Consbrix Developments Limited	813110
Bagnight Limited*	1409963	Cromlech Property Co. Limited (The) [Ⓐ]	613900
Bampton (B&B) Limited	2798348	Crozera Limited	1269708
Bampton (Redbridge) Limited [Ⓐ]	852156	Daejan (Brentford) Limited*	3666085
Bampton Holdings Limited [Ⓐ]	898794	Daejan (Brighton) Limited [Ⓐ]	2565357
Bampton Homes Limited	849161	Daejan (Cambridge) Limited [Ⓐ]	5439513
Bampton Management Limited	944562	Daejan (Cardiff) Limited [Ⓐ]	2887383
Bampton Property Group Limited (The)	647924	Daejan (Care Homes) Limited*	6665981
Brickfield Properties Limited	741218	Daejan (Dartford) Limited	2620091
Chilon Investment Co. Limited	617017	Daejan (Design & Build) Limited* [Ⓐ]	7645186
City and Country (Londonderry House) Limited	836356	Daejan (Durham) Limited	2552073
City and Country Properties (Birmingham) Limited [Ⓐ]	730135	Daejan (FH 1998) Limited	3605328
City and Country Properties (Camberley) Limited [Ⓐ]	876266	Daejan (FHNV 1998) Limited	3613818
City and Country Properties (Estates) Limited	351303	Daejan (Hanger Hill) Limited*	3679742
City and Country Properties (Gillingham) Limited	922908	Daejan (High Wycombe) Limited [Ⓐ]	2684725
City and Country Properties (Leeds) Limited	514483	Daejan (Kingston) Limited [Ⓐ]	2622396
City and Country Properties (Midlands) Limited	458951	Daejan (Lauderdale) Limited	2347187
City and Country Properties Limited	632613	Daejan (Norwich) Limited	3487190
Coindragon Limited* [Ⓐ]	6750083	Daejan (NUNV) Limited	3375782
Coin eagle Limited*	6750177	Daejan (NUV) Limited [Ⓐ]	3381643
Coinface Limited	7644669	Daejan (PF) Limited	4896862
Coinmad Limited*	7644633	Daejan (Reading) Limited [Ⓐ]	2620506
Coinmoat Limited*	6750062	Daejan (Taunton) Limited [Ⓐ]	2663494
Coinorbit Limited*	6750156	Daejan (UK) Limited*	4203384
Coinpilot Limited*	6750137	Daejan (US) Limited*	4204270
Coinreach Limited*	7644736	Daejan (Warwick) Limited [Ⓐ]	2550013
Coinsmart Limited*	7644663	Daejan (Watford) Limited	7080518
		Daejan (Wimbledon) Limited*	7644764
		Daejan (Worcester) Limited [Ⓐ]	2683045
		Daejan Commercial Properties Limited	3135225
		Daejan Developments Limited [Ⓐ]	691876
		Daejan Enterprises Limited	3346239
		Daejan Estates Limited	741217

* Directly owned [Ⓐ] Company exempted from audit

Company number		Company number	
Daejan Investments (Grove Hall) Limited	631208	Inputstripe Limited	4497556
Daejan Investments (Harrow) Limited [Ⓐ]	658151	Insworth Investments Limited*	1375136
Daejan Investments (Park) Limited [Ⓐ]	853824	Johnsbrix Developments Limited	812765
Daejan Investments Limited	629395	Kingforge Limited*	1273663
Daejan Metropolitan Investments Limited*	741216	Kintsilk Investments Limited [Ⓐ]	789249
Daejan Properties Limited	629396	Lawnstamp Limited [Ⓐ]	5315719
Daejan Retail Properties Limited	3087160	Lesbrix Developments Limited	789658
Daejan Securities Limited* [Ⓐ]	1340920	Limebridge Co. Limited [Ⓐ]	868817
Daejan Services Limited* [Ⓐ]	1710219	Lookstate Limited [Ⓐ]	1993941
Daejan Traders Limited*	4204201	Lyme & Farrar Limited	462783
Daneryn Limited*	1355633	Marfred Limited	486536
Derlingrange Limited*	1268416	Mineral and General Investments Limited	391604
Ealux Limited	329109	Modboon Limited*	1366107
Endell Developments Limited*	6434585	Mont Investments Limited	525225
Endell Properties Limited* [Ⓐ]	6434799	Offerworld Limited	2476200
Endell Real Estate Limited*	6434801	Pegasus Investment Company Limited [Ⓐ]	515280
Esslock Limited	460091	Ronend Properties Limited*	1147295
Fifth Charles Investments Limited*	1295017	Rosebel Holdings Limited [Ⓐ]	693831
First Charles Investments Limited*	1293651	Seaglen Investments Limited [Ⓐ]	616559
Foredale Limited*	1124135	Semlark Limited* [Ⓐ]	6853866
Gertsbrix Developments Limited	683494	Simlock Limited	445959
Grapeseal Limited*	1077074	St. Leonards Properties Limited	766864
Halliard Property Co. Limited (The)	613836	Strand Palace Hotel Limited*	3676473
Hampstead Way Investments Limited [Ⓐ]	751683	Summerseas Investment Co. Limited [Ⓐ]	616969
Inputstock Limited	4497638	Wisebourne Limited*	949842
		Workvideo Limited*	4204199

* Directly owned

Ⓐ Company exempted from audit

Incorporated in Guernsey***Registered office: Bordage House, Le Bordage, St Peter Port, Guernsey GY1 1BU***

Daejan Financing Limited	Eight Dials Limited
Three Dials Limited	Nine Dials Limited
Four Dials Limited	Ten Dials Limited

Incorporated in the Isle of Man***Registered office: 8 St George's Street Douglas IM1 1AH***

Temple Investments Limited

Incorporated in Curaçao***Registered office: Schottegatweg Oost 44, Curaçao***

Daejan Holdings N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Incorporated in the USA

Registered office, except as noted in (i) to (vii) at end of this note: 1651 Coney Island Avenue, Brooklyn, NY 11230

22-04 Collier Avenue LLC
 77NW LLC
 200 Portland LLC
 260 Realty Associates**
 427 West 51st Street Owners Corp.
 611 West 158th Street Corp.
 670 River Realty Corp.
 730 GC Realty Corp.
 1750 GC LLC
 3380 Nostrand LLC
 Ace 2160 Wallace LLC
 Ace 2180 Wallace LLC
 Ace 2181 Barnes LLC
 Ace 2181 Wallace LLC
 CM Bucks Landing 120 LLC
 Daejan 1010 Regency LLC⁽ⁱ⁾
 Daejan 11 E Chase LLC⁽ⁱ⁾
 Daejan 77 Inc.^(vii)
 Daejan 3120 Court LLC⁽ⁱ⁾
 Daejan Astoria LLC
 Daejan Baltimore Inc.
 Daejan Chesterfield LLC⁽ⁱⁱ⁾
 Daejan Crossroads LLC
 Daejan Enterprises Inc.
 Daejan Fisherman's Landing LLC⁽ⁱⁱⁱ⁾
 Daejan Greenwich Commons LLC^(iv)

Daejan Hidden Palms LLC⁽ⁱⁱⁱ⁾
 Daejan Holdings (U.S.) Inc.^{*(vi)}
 Daejan Inverrary LLC
 Daejan Lauderhill Inc.
 Daejan Lycoming LLC, Inc.
 Daejan N.Y. Ltd.
 Daejan Oak Manor, Inc.^(v)
 Daejan Portland, Inc.
 DJN Crossroad, Inc.
 DJN Greenwich Inc.
 DJN Raritan LLC
 Ivory 1150 Concourse Corp.
 Ivory 1166 G.C. Realty Corp.
 Ivory 3045 Grand Concourse Corp.
 Ivory 3591 Bainbridge Corp.
 Ivory 3780 Bronx Blvd. Corp.
 Ivory 3908 Bronx Realty Corp.
 Ivory 780 Grand Corp.
 Ivory 790 G.C. Corp.
 Madison Oaks Apartment Homes LLC⁽ⁱⁱ⁾
 New Franconia Associates***
 Newport Colony Apartment Homes LLC⁽ⁱⁱ⁾
 Sevens G.C. Realty Corp.
 Tampa Sunscape Inc.
 Waterford Park Apartment Homes LLC⁽ⁱⁱ⁾

Registered offices: (i) 6800 Liberty Road, Baltimore, MD 21207; (ii) 4200 Inverrary Blvd, Lauderhill, FL 33319; (iii) 14555 Bruce D. Downs Blvd, Tampa, FL 33613; (iv) 14608 43rd Street, Tampa, FL 33813; (v) 5105 Mission Hills Ave, Tampa, FL 33617; (vi) 1105 North Market Street, Wilmington, NY 19899; (vii) 65 Franklin Street, Suite 401, Boston, MA 02110.

* Directly owned

** 75% owned

*** 70% owned

23. Alternative Performance Measures

The directors use a number of alternative performance measures within this Annual Report to provide more relevant explanations of the Group's financial position and performance. Provided below are explanations for each such measure and reconciliations to relevant IFRS balances.

Underlying profit before tax

The directors consider "underlying profit before tax" which excludes unrealised changes in the valuation of property and certain financial instruments to be a useful measure as it represents the element of our results that has actually been realised. It represents the performance of our core rental business together with disposal profits which tend to fluctuate from year to year. It is our underlying profit before tax which generates the cash we use to re-invest in the business and to pay dividends and taxes.

	2023	2022
	£000	£000
(Loss)/profit before tax per the income statement	(41,038)	159,659
Property valuation losses/(gains)	90,169	(101,072)
Financial instruments fair value gains	(4,271)	(5,298)
Realised valuation losses on property disposals	2,308	569
Underlying profit before tax	47,168	53,858

Shareholders' funds per share

The directors consider that shareholders' funds per share is a useful measure as it reflects the fair value of the investment property we hold and is a common measure used across the property industry. It is calculated by dividing the total equity attributable to equity holders of the parent by the weighted average number of shares in issue during the period.

	2023	2022
Total equity attributable to equity holders of the parent (£000)	1,928,788	1,955,560
Weighted average number of shares in issue during the year	16,295,357	16,295,357
Shareholders funds per share (£)	118.36	120.01

Gearing

The Group considers gearing to be the ratio of our loans and borrowings to the value of our total assets. As the majority of our loans and borrowings are secured on our investment property assets, our gearing ratio is useful as it indicates our capacity to borrow further to invest in our business and also shows the level of headroom we have in case of adverse property valuation movements.

	2023	2023	2023	2022	2022	2022
	UK	USA	Total	UK	USA	Total
	£000	£000	£000	£000	£000	£000
Loans and borrowing (Note 16)	366,722	410,066	776,788	368,442	381,596	750,038
Total assets	2,210,684	966,069	3,176,753	2,276,317	902,696	3,179,013
Gearing	16.6%	42.4%	24.5%	16.2%	42.3%	23.6%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

Valuation of investment properties

Valuation gains or losses on investment properties is a key metric for property companies and is presented on the face of the income statement. To assist a reader's understanding, we also express the net revaluation gains or losses recognised during the year as a percentage of the value of investment property at the start of the year. Where a property's value is not denominated in sterling, such as those in the USA, the opening value is first adjusted for the impact of movements in exchange rates during the year.

	2023 UK £000	2023 USA £000	2023 Total £000	2022 UK £000	2022 USA £000	2022 Total £000
Carrying value at 1 April (Note 9)	1,920,620	784,824	2,705,444	1,841,368	723,077	2,564,445
Foreign exchange movements	-	50,096	50,096	-	32,073	32,073
Value at 1 April at year end exchange rate	1,920,620	834,920	2,755,540	1,841,368	755,150	2,596,518
Acquisitions	3,955	-	3,955	138	-	138
Additions to existing properties	12,115	7,307	19,422	9,797	5,052	14,849
Disposals	(4,423)	(1,488)	(5,911)	(4,807)	(2,326)	(7,133)
Revaluation	(78,307)	(11,862)	(90,169)	74,124	26,948	101,072
Carrying value at 31 March (Note 9)	1,853,960	828,877	2,682,837	1,920,620	784,824	2,705,444
Valuation (loss)/gain percentage	(4.1%)	(1.4%)	(3.3%)	4.0%	3.6%	3.9%

24. Ultimate controlling party

The Freshwater Family are considered to be the ultimate controlling party by virtue of all shares in issue, with the exception of the 763 shares beneficially owned by Mr D Davis, being held by or on behalf of themselves, other members of their families and their charitable interests.

25. Events after the reporting period

On 19 June 2023 following approval from shareholders, the Company completed a scheme of reconstruction under which the total issued share capital of the Company was reduced from £4,073,839 to £836,841 by cancelling the 12,947,993 Ordinary B shares of 25 pence each in issue (see Note 14 on page 73 for details of shareholdings at 31 March 2023). The Company simultaneously issued 12,947,993 new Ordinary B shares of 25 pence each to Dock Newco Limited; Dock Newco Limited then issued 12,947,993 of its own shares to the original Ordinary B shareholders of the Company. This resulted in the entire share capital of the Company being owned by Dock Newco Limited and the former B shareholders of the Company owning the same number of shares and proportion of Dock Newco Limited as they did in the Company. There was therefore no material financial effect to the Company or its shareholders from this reconstruction. Dock Newco Limited subsequently changed its name to Daejan Group Holdings Limited on 28 June 2023.

COMPANY BALANCE SHEET

as at 31 March 2023

	Notes	2023	2022
		£000	£000
Fixed assets			
Investment in subsidiary undertakings	4	1,199,359	1,198,822
Deferred tax assets		–	118
Loan to a related party		225,000	225,000
		1,424,359	1,423,940
Current assets			
Debtors		22,925	10,086
Cash at bank		32,849	44,656
		55,774	54,742
Creditors: amounts falling due within one year	5	(324,025)	(255,938)
Net current liabilities		(268,251)	(201,196)
Total assets less current liabilities		1,156,108	1,222,744
Creditors: amounts falling due after more than one year	6	(12,225)	(62,363)
Deferred tax liability		(750)	–
Net assets		1,143,133	1,160,381
Capital and reserves			
Called up share capital	7	4,074	4,074
Share premium account		555	555
Other reserves		893	893
Profit and loss account		1,137,611	1,154,859
Equity shareholders' funds		1,143,133	1,160,381

The Company's profit for the year after taxation was £2,382,000 (2022 – loss of £1,448,000).

The financial statements of Daejan Holdings Limited (Company number 305105) on pages 87 to 92 were approved by the Board of Directors on 29 September 2023 and were signed on its behalf by:

B S E Freshwater

Director

The accompanying notes form an integral part of the Company financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

<i>for the year ended 31 March 2023</i>	<i>Issued share capital</i>	<i>Share premium account</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Equity shareholders' funds</i>
	£000	£000	£000	£000	£000
Balance at 1 April 2021	4,074	555	893	1,174,558	1,180,080
Loss for the year	-	-	-	(1,448)	(1,448)
Dividends to equity shareholders	-	-	-	(18,251)	(18,251)
Balance at 1 April 2022	4,074	555	893	1,154,859	1,160,381
Profit for the year	-	-	-	2,382	2,382
Foreign exchange translation differences	-	-	-	(727)	(727)
Dividends to equity shareholders	-	-	-	(18,903)	(18,903)
Balance at 31 March 2023	4,074	555	893	1,137,611	1,143,133

The accompanying notes form an integral part of the Company financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 102, *The Financial Reporting Standards applicable in the UK and Republic of Ireland* ("FRS 102"). The Company has adopted the following disclosure exemptions permitted by FRS 102 1.12 (b), (c) and (e): The requirement to present a statement of cash flows; the requirement to disclose the terms and conditions of long term debt; and the requirement to disclose key management personnel compensation in total.

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account dealing with the results of the Company has not been presented.

(b) Investments in subsidiary undertakings

Investments in subsidiary undertakings comprise shares in and loans to those undertakings and are stated at cost less any provision for impairment.

(c) 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 financial liabilities.

Basic financial instruments

(i) Trade and other debtors and trade and other creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. 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 less any impairment losses in the case of trade and other debtors. 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.

(ii) Loans and borrowings

Loans and borrowings are initially recognised at fair value and are subsequently recorded at amortised cost. Transaction costs are deducted from the fair value at recognition and any differences between the amount initially recognised and the redemption value is recognised in the income statement over the period of the borrowings on an effective interest rate basis.

Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to interest rate risk arising from operational and financing activities. As these derivatives do not qualify for hedge accounting, they are accounted for as trading instruments. Derivative financial instruments are initially recognised, and subsequently recorded, at fair value. The fair value of interest rate swaps is the estimated amount that the Company would recover or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the credit worthiness of the swap counterparties. The gain or loss on re-measurement to fair value is recognised immediately in the profit and loss account.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

(d) Deferred tax

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. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses 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 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.

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.

(e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction and gains and losses on translation are included in the profit and loss account. Debtors and creditors are retranslated using the rate of exchange at the balance sheet date.

2. *Loss on Ordinary Activities before Taxation*

The Company has no employees other than its Directors and their remuneration is set out on pages 44 and 46 of the Group accounts. The parent company audit fee is disclosed on page 64 of the Group accounts.

3. *Dividends*

	2023 £000	2022 £000
Amounts recognised as distributions to equity holders in the year:		
First interim dividend for the year ended 31 March 2022, approved 18 August 2021 @ 56p per share	–	9,125
Second interim dividend for the year ended 31 March 2022, approved 7 March 2022 @ 56p per share	–	9,126
First interim dividend for the year ended 31 March 2023, approved 3 August 2022 @ 58p per share	9,451	–
Second interim dividend for the year ended 31 March 2023, approved 28 March 2023 @ 58p per A share and 58p per B share	9,452	–
	18,903	18,251

4. *Investments in Subsidiary Undertakings*

	Shares at cost £000	Loans £000	Total £000
At 1 April 2022	992,205	206,617	1,198,822
Loans	–	537	537
At 31 March 2023	992,205	207,154	1,199,359

5. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Bank loans and overdrafts	50,139	136
Amounts owed to subsidiary undertakings	272,572	254,689
Other creditors and accruals	1,314	643
Derivative financial instruments	–	470
	324,025	255,938

6. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Secured bank loans	12,225	62,363

7. Share Capital

	2023 Number	2023 £000	2022 Number	2022 £000
Allotted, called up and fully paid:				
Ordinary shares of 25 pence per share	–	–	16,295,357	4,074
Ordinary A shares of 25 pence per share	3,347,364	837	–	–
Ordinary B shares of 25 pence per share	12,947,993	3,237	–	–
Ordinary shares of 25 pence per share	16,295,357	4,074	16,295,357	4,074

In November 2022, the Company reclassified the 3,347,364 ordinary shares that were owned by Dock Newco Limited to Ordinary A shares. The remaining 12,947,993 ordinary shares were reclassified to Ordinary B shares.

None of the shares have or had any special rights or rights to fixed income in the current or previous year. There are and have been no restrictions on the transfer of these shares or restrictions on voting rights in either the current or previous year.

8. Profit and Loss Reserve

The Company previously sold its shareholdings in certain subsidiary undertakings to intermediate holding companies. As a result of that transaction, the parent company transferred £645.1 million of revaluation gains relating to these investments to the profit and loss reserve. As the transfer of these revaluation gains arose as a result of a sale of assets within the Group, it is unlikely that the Company will seek to treat the profit and loss reserve thus arising as distributable.

Under the articles of association of certain Group investment undertakings, realised capital surpluses are not available for distribution as dividends.

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

9. Events after the reporting period

On 19 June 2023 following approval from shareholders, the Company completed a scheme of reconstruction under which the total issued share capital of the Company was reduced from £4,073,839 to £836,841 by cancelling the 12,947,993 Ordinary B shares of 25 pence each in issue (see Note 14 on page 73 for details of shareholdings at 31 March 2023). The Company simultaneously issued 12,947,993 new Ordinary B shares of 25 pence each to Dock Newco Limited; Dock Newco Limited then issued 12,947,993 of its own shares to the original Ordinary B shareholders of the Company. This resulted in the entire share capital of the Company being owned by Dock Newco Limited and the former B shareholders of the Company owning the same number of shares and proportion of Dock Newco Limited as they did in the Company. There was therefore no material financial effect to the Company or its shareholders from this reconstruction. Dock Newco Limited subsequently changed its name to Daejan Group Holdings Limited on 28 June 2023.

GROUP FIVE-YEAR RECORD (UNAUDITED)

	2019 £000	2020 £000	2021 £000	2022 £000	2023 £000
Total rental and related income	156,161	166,143	162,457	168,386	184,977
Property operating expenses	(79,580)	(91,094)	(91,659)	(89,840)	(104,847)
Net rental and related income	76,581	75,049	70,798	78,546	80,130
Profit on disposal of investment properties	12,203	15,775	3,248	15,344	9,352
Net valuation gains/(losses) on investment properties	83,928	(90,494)	33,817	101,072	(90,169)
Administrative expenses					
Recurring	(13,904)	(14,254)	(14,984)	(17,871)	(18,610)
Non-recurring arising from Scheme of Arrangement	-	-	(3,259)	-	-
Total administrative expenses	(13,904)	(14,254)	(18,243)	(17,871)	(18,610)
Net operating profit/(loss) before net financing costs	158,808	(13,924)	89,620	177,091	(19,297)
Net financing expense	(20,976)	(19,227)	(17,646)	(17,432)	(21,741)
Profit/(loss) before taxation	137,832	(33,151)	71,974	159,659	(41,038)
Income tax (charge)/credit	(17,853)	(13,441)	(17,518)	(102,011)	9,944
Profit/(loss) for the year	119,979	(46,592)	54,456	57,648	(31,094)
Earnings/(loss) per share	£7.36	£(2.92)	£3.35	£3.53	£(1.92)
Total assets	2,766,503	2,756,597	3,011,216	3,179,013	3,176,753
Equity shareholders' funds	1,940,521	1,897,168	1,902,102	1,956,499	1,928,788
Equity shareholders' funds per share	£119.07	£116.35	£116.67	£120.01	£118.36

DIRECTORS AND ADVISERS

Directors

B S E Freshwater
(Chairman and Managing Director)
S I Freshwater
D Davis (non-executive)
A M Freshwater (non-executive)
C B Freshwater (non-executive)
R E Freshwater (non-executive)

Secretaries

M D E Bale
J S Southgate

Registered & Head Office

Freshwater House,
158-162 Shaftesbury Avenue,
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Registered in England
Co. No. 305105

Auditor

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15 Canada Square,
London E14 5GL

Consulting Accountants

Cohen Arnold
New Burlington House,
1075 Finchley Road,
London NW11 0PJ

Principal Bankers

Barclays Bank PLC
Lloyds Banking Group PLC
NatWest Group PLC

NOTES



Opposite page: Ashworth Court, London W8. Back cover: Starlite Lodge, Greenford, Middlesex.

Design, art direction and UK and New York photography by Roger Watt
sterling 176645



