

Andrew Ray Pension Scheme
Unit 9, Adams Court
Mountfield Road
New Romney
Kent TN28 8LH

Pension Practitioner. Com
Daws House
33-35 Daws Lane
London
NW7 4SD

For the attention of Ms S Stratton

Dear Stephanie

18th July 2014

RE: Andrew Ray Pension Scheme

Further to receiving your email dated 10th April we can report the annual statement for the Andrew Ray Pension Scheme as follows:

Acquisitions, Ownership and Disposals of Property

The scheme purchased Plots 15 & 16, Collins Road, Mountfield Industrial Estate, New Romney, Kent. This is 0.8 acres of commercial land for development as retail/light industry. The purchase price was £86,000 plus VAT. The site has been registered for VAT and the VAT element recovered. A development scheme is being considered prior to submitting for planning permission. The purchase was from the Romney Marsh Potato Company Retirement Scheme, and was unconnected.

The scheme had purchased 7 Park Place, Dover CT16 1DF in February 2013 for the sum of £95,000. The upper floors were leased by Athelstan Associates Ltd at this time. The upper floors lease was purchased by Embrake Management Ltd on the 1st July 2013. A new five year lease was drawn up, with a yearly ground rent of £150/annum payable in advance. This small payment was compensation for their investment in the upper floors. This is a connected transaction. Andrew Ray and James Ray are directors and shareholders in Embrake Management Ltd. The upper floors are currently let on an AST.

The trustees were approached by prospective tenants for part of the ground floor to be developed as a Micro-Pub. Planning permission for change of use and licensing permission were obtained and the re-development undertaken. The scheme paid £14989 for the redevelopment. The annual rent was set at £7000, payable from the 1st October 2013 when the ground floor was occupied. The lease is a typical commercial lease for 5 years, partly insuring/repairing. The scheme had received rent as scheduled. An informal valuation for the property was given by SW&P of £157,500.

Acquisitions, Ownership and Disposals of Employer's Shares

None.

Acquisitions, Ownership and Disposals of Unquoted Company Shares

None.

Loans to Connected Parties

Loan to sponsoring employer Athelstan Associates Ltd for the sum of £90,000 to be used to purchase Unit 9, Adams Court, New Romney.

The Scheme has received two capital/interest payments of £9375.42, leaving an outstanding balance of £72,533.91 as scheduled.

Loans to Unconnected Parties: No.

Interest in Tangible Movable Property: No.

Deposits and Bank Accounts

Bank of Scotland: £96,292.04

Interest received £503.32, tax deducted £100.61.

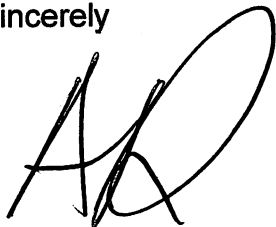
Scottish Widows: £108,069.82

Interest received £1156.78 gross.

These funds are being held ready for the proposed development of Plot 15 & 16. Interest received is as scheduled.

We trust this meets with reporting requirements. I can be contacted on 07854 954994 for further clarification if required. Please also note our new address.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AR' with a large loop at the end.

Andrew Ray on behalf of Andrew Ray Pension Scheme

ANDREW RAY PENSION SCHEME

Debit Cheques

| | | |
|-------------------|---|------------|
| 010009: 22.04.13 | Building Insurance – 7 Park Place, Dover | £277.21 |
| 0100010: 30.08.13 | Solicitors search fees – Plots 15 &16 Collins Road, New Romney | £350.00 |
| 0100011: 30.10.13 | Buildings Insurance – 7 Park Place, Dover | £317.43 |
| 0100012: 28.10.13 | Contractor and Materials Building Costs for Embrake Management – 7 Park Place, Dover | £5862.00 |
| 0100013: 01.11.13 | Supervision Costs for Embrake Management 7 Park Place, Dover | £4634.60 |
| 0100014: 01.11.13 | Consultancy Services and Utilities Costs for Athelstan Associates Ltd | £4492.80 |
| 0100015: 09.12.13 | Land Purchase – Plots 15 &16 Collins Road, New Romney | £86,000.00 |
| 0100016: 29.01.14 | Land Purchase – Plots 15 &16 Collins Road, New Romney | £18,165.50 |

Deposits

| | | |
|----------|---------------------------------------|----------|
| 02.10.13 | Rack of Ale – Opening Rent | £583.33 |
| 04.11.13 | Rack of Ale – Rent | £584.00 |
| 04.11.13 | Athelstan Associates – Loan Repayment | £9375.42 |
| 05.12.13 | Rack of Ale – Rent | £583.33 |
| 06.01.14 | Rack of Ale – Rent | £584.00 |
| 07.02.14 | Rack of Ale – Rent | £583.33 |
| 10.03.14 | Rack of Ale – Rent | £584.00 |
| 18.03.14 | Athelstan Associates – Loan Repayment | £9375.42 |
| 10.04.14 | Rack of Ale – Rent | £584.00 |
| Various | Interest payments on account balance | £402.71 |