Glade Garland Limited
Financial statements
For the year ended 30 April 2006

Grant Thornton

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Company No. 1393723

Company information

Company registration number	1393723
Registered office	c/o A. F. Blakemore and Son Limited Long Acre Industrial Estate Willenhall West Midlands WV13 2JP
Directors	P F Blakemore E Davies A D Pannell
Secretary	A D Pannell
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Enterprise House 115 Edmund Street Birmingham B3 2HJ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 April 2006.

Principal activities and business review

The company is principally engaged in property management.

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

Financial risk management objectives and policies

The company's principal financial instruments comprise bank loans, intra group trading balances, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's long-term debt obligations. The company's policy is to manage its interest cost using a mix of fixed and variable rate debt. The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank loans and intra group trading balances.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

P F Blakemore
E Davies (appointed 10 February 2006)
A D Pannell (appointed 9 December 2005)
J W Giles (retired 24 February 2006)

The directors who served the company during the year had no interests in the share capital of the company as it is a wholly-owned subsidiary of A. F. Blakemore and Son Limited. P F Blakemore, E Davies and A D Pannell are also directors of A. F. Blakemore and Son Limited, and their interests in that company's share capital are disclosed in its financial statements.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

there is no relevant audit information of which the company's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A D Pannell

A D Pannell
Secretary

14. 9. 07

Grant Thornton

Report of the independent auditor to the members of Glade Garland Limited

We have audited the financial statements of Glade Garland Limited for the year ended 30 April 2006 which comprise the principal accounting policies, profit and loss account, balance sheet, note of historical cost profits and losses and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

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

Basis of opinion

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

Report of the independent auditor to the members of Glade Garland Limited (continued)

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 30 April 2006.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BIRMINGHAM

Date: 15 February 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'; and

-the presentation requirements of 'FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)''.

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. Previously where these equity dividends were proposed after the balance sheet date, they were recorded as liabilities at the balance sheet date. There is no impact on these financial statements.

FRS 25 'Financial Instruments: Disclosure and Presentation (IAS 32)'

The new accounting policy for financial instruments is set out on page 9.

The adoption of FRS 25 has resulted in a change in accounting policy in respect of the presentation of dividends and distributions. Dividends and distributions relating to equity instruments are debited direct to equity. Previously, equity dividends were shown on the face of the profit and loss account. The change in accounting policy does not have an impact on the financial statements for the year ended 30 April 2006 or 2005.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from producing a cash flow statement in the financial statements.

Turnover

The turnover shown in the profit and loss account comprises rental income received on the leasing of properties, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property - 2% straight line basis

The company has taken advantage of the transitional provisions of FRS 15 'Tangible Fixed Assets' and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued on 25 October 1999 and the valuations have not subsequently been updated.

No depreciation is charged on freehold land.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

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 of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2006 £	2005 £
Turnover	1	**636,401**	446,593
Other operating charges	2	**78,335**	70,083
Operating profit	3	**558,066**	376,510
Interest payable and similar charges	5	**293,080**	262,647
Profit on ordinary activities before taxation		**264,986**	113,863
Tax on profit on ordinary activities	6	**93,984**	31,117
Profit for the financial year	16	**171,002**	82,746

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	7	**6,008,590**	6,319,466
Current assets			
Debtors	8	**319,823**	1,469
Cash at bank		**1**	1
		319,824	1,470
Creditors: amounts falling due within one year	9	**217,168**	212,003
Net current assets/(liabilities)		**102,656**	(210,533)
Total assets less current liabilities		**6,111,246**	6,108,933
Creditors: amounts falling due after more than one year	10	**5,454,297**	5,622,986
		656,949	485,947
Capital and reserves			
Called-up equity share capital	14	**100**	100
Revaluation reserve	15	**144,207**	145,725
Profit and loss account	16	**512,642**	340,122
Shareholders' funds	17	**656,949**	485,947

These financial statements were approved by the directors on 14.2.07 and are signed on their behalf by:

A D Pannell
Director

Other primary statements

Note of historical cost profits and losses

	2006	2005
	£	£
Profit on ordinary activities before taxation	**264,986**	113,863
Realisation of gains recognised in previous periods	**1,518**	1,518
Historical cost profit on ordinary activities before taxation	**266,504**	115,381
Historical cost profit for the year after taxation	**172,520**	84,264

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principle activity of the company derived in the UK.

2 Other operating charges

	2006	2005
	£	£
Administrative expenses	**78,335**	70,083

3 *Operating profit*

Operating profit is stated after charging/(crediting):

	2006	2005
	£	£
Depreciation of owned fixed assets	**64,676**	60,372
Profit on disposal of fixed assets	**(2,338)**	–
Auditor's remuneration:		
Audit fees	**3,996**	3,996

4 Directors and employees

Employee costs in 2006 (being that of directors) are borne by the parent company. The directors of Glade Garland Limited are also directors of the parent company, A. F. Blakemore and Son Limited and it is not practical to determine the proportions of such emoluments which are attributable to the directors' services to the company. However, the total amounts paid to the directors of A. F. Blakemore and Son Limited are taken account of in the disclosure of the directors' emoluments in the financial statements of A. F. Blakemore and Son Limited, the parent company.

5 Interest payable and similar charges

	2006	2005
	£	£
Interest payable on bank borrowing	**–**	3,825
Interest payable to group companies	**192,719**	151,912
Mortgage interest	**100,361**	106,910
	293,080	262,647

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax:		
UK Corporation tax based on the results for the year at 30%(2005 - 19%)	**11,400**	11,402
Group relief	**82,586**	22,086
Over/under provision in prior year	**(2)**	(2,371)
Total current tax	**93,984**	31,117

(b) Factors affecting current tax charge

	2006 £	2005 £
Profit on ordinary activities before taxation	**264,986**	113,863
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005: 19%)	**79,496**	21,634
Expenses not deductible for tax purposes	**21,090**	11,854
Effects of other tax rates	**(6,600)**	-
Adjustments to tax in respect of prior periods	**(2)**	(2,371)
Total current tax (note 6(a))	**93,984**	31,117

7 Tangible fixed assets

	Freehold Property £
Cost or valuation	
At 1 May 2005	6,500,555
Additions	75,000
Disposals	(323,538)
At 30 April 2006	6,252,017
Depreciation	
At 1 May 2005	181,089
Charge for the year	62,338
At 30 April 2006	243,427
Net book value	
At 30 April 2006	**6,008,590**
At 30 April 2005	6,319,466

Freehold land amounting to £3,126,008 (2005: £2,643,777) has not been depreciated.

Freehold land and buildings were professionally revalued on an open market basis on 25 October 1999 by independent professional valuers, George Walker and Co, with subsequent additions at cost as follows:

	£
Valuation	180,000
Cost	6,072,017
	6,252,017

If freehold land and buildings had not been revalued, they would have been included in the financial statements at £28,083 (2005: £28,083).

8 Debtors

	2006 £	2005 £
Prepayments and accrued income	**225,434**	1,469
Amounts owed by group undertakings	**94,389**	-
	319,823	1,469

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	**108,902**	100,880
Amounts owed to group undertakings	**82,586**	91,922
Corporation tax	**11,405**	11,402
Accruals and deferred income	**14,275**	7,799
	217,165	212,003

10 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Bank loans	**1,521,213**	1,628,934
Amounts owed to group undertakings	**3,933,084**	3,994,052
	5,454,297	5,622,986

Amounts due to the group undertakings are payable to the ultimate parent company, A. F. Blakemore and Son Limited. The ultimate parent company has confirmed that no payment will be sought until the company has sufficient funds to make such payment.

The Nationwide loan is repayable by monthly instalments, bearing interest at a rate of 1.25% per annum above LIBOR and is secured on mortgaged properties.

The HSBC loan is repayable by monthly instalments, bearing interest at a rate of 1.125% per annum above the bank's base rate and is secured on mortgaged properties.

11 Contingent liabilities

The bank overdrafts of the A. F. Blakemore and Son Limited group totalling £Nil (2005: £Nil), are secured by an unlimited debenture over the assets of the group, which includes the assets of Glade Garland Limited.

12 Borrowings

	2006	2005
	£	£
Within one year		
Bank Loan and overdraft	**108,902**	100,880
After one and within two years		
Bank Loan	**115,426**	107,353
In more than two years but not more than five years		
Bank Loan	**389,465**	365,182
In more than five years		
Bank Loan	**1,016,322**	1,156,399
	1,630,115	1,729,814

13 Related party transactions

As a wholly owned subsidiary of A. F. Blakemore and Son Limited, the company is exempt from the requirement of FRS 8 to disclose transaction with other members of the group headed by A. F. Blakemore and Son Limited on the grounds that accounts are publicly available from Companies House.

14 Share capital

Authorised share capital:

	2006	2005
	£	£
800 Ordinary shares of £0.125 each	**100**	100

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £0.125 each	**800**	**100**	800	100
Equity shares				
Ordinary shares of £0.125 each	**800**	**100**	800	100

15 Revaluation reserve

	2006	2005
	£	£
Balance brought forward	**145,725**	147,243
Transfer to the Profit and Loss Account on realisation	**(1,518)**	(1,518)
Balance carried forward	**144,207**	145,725

16 Profit and loss account

	2006	2005
	£	£
Balance brought forward	**340,122**	255,858
Profit for the financial year	**171,002**	82,746
Transfer from revaluation reserve	**1,518**	1,518
Balance carried forward	**512,642**	340,122

17 Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
Profit for the financial year	**171,002**	82,746
Opening shareholders' funds	**485,947**	403,201
Closing shareholders' funds	**656,949**	485,947

18 Pensions

The company has not operated, or contributed to any pension scheme on behalf of its employees.

19 Capital commitments

The directors have confirmed that there were no capital commitments at 30 April 2006 or 30 April 2005.

20 Ultimate parent undertaking and ultimate controlling party

The directors consider that the ultimate parent undertaking of this company is A. F. Blakemore and Son Limited, incorporated in England and Wales.

The largest shareholding in A. F. Blakemore and Son Limited is held by P F Blakemore, who is effectively the ultimate controlling party.

The largest and smallest group of undertakings for which group accounts have been drawn up us that headed by A. F. Blakemore and Son Limited incorporated in England and Wales. Copies of the group accounts can be obtained from A. F. Blakemore and Son Limited, Long Acre Industrial Estate, Rosehill, Willenhall, West Midlands, WV13 2JP.