

ASHTENNE HOLDINGS LIMITED

Report and Financial Statements

For the year ended 31 March 2010

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**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are that of an intermediate holding company

RESULTS AND DIVIDENDS

The profit after taxation for the year amounted to £415,000 (2009 £23,905,000), which is added to a surplus brought forward of £53,883,000 and leaves £54,298,000 to be carried forward. The directors do not recommend the payment of a dividend (2009 £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The company is a wholly owned subsidiary of Warner Estate Holdings PLC. From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of Warner Estate Holdings PLC and are not managed separately. Accordingly, the principal risks and uncertainties of the Warner Estate Holdings PLC group, which include those of the company, are discussed in the Directors' Report contained in the group's annual report which does not form part of this report.

Risk	Description	Mitigation
Financial risk	General economic downturn leading to requirement to repay intercompany debt	Group limits on debt to assets and interest cover ratios
	Liquidity risk	Efficient treasury management and strict credit control to ensure adequate working capital headroom available to meet working capital requirements of the business

KEY PERFORMANCE INDICATORS (KPI)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of the Warner Estate Holdings PLC group, which includes the company, are discussed in the Directors' Report contained in the group's annual report which does not form part of this report.

FUTURE OUTLOOK

The directors expect the company to continue as an intermediate holding company for the foreseeable future. The directors consider that the company has adequate resources to continue in operational existence for the foreseeable future.

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The company has a debtor due from fellow group companies, if this debtor is not recoverable the company may not be able to meet its liabilities as and when they fall due. In order to gain comfort over the recoverability of the debtor, the directors have obtained a letter of financial support from the ultimate parent company. The company and its fellow subsidiaries are reliant on the parent company for ongoing financial support. In adopting the going concern basis, the directors have taken into account the ability and resources of the ultimate parent company to provide financial support.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

DIRECTORS

The directors who served the company during the year and up to the date of signing these financial statements were

P C T Warner

M W Keogh

M J Stevens

(Resigned 25 June 2009)

R W Game

(Appointed 25 June 2009)

V B Vaghela

The directors have the benefit of "qualifying third party indemnity provisions" for the purposes of section 236 of the Companies Act 2006

Statement of Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm so far as they are aware there is no relevant audit information of which the company's auditors are unaware. They also confirm that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By Order of the Board



D. J. Lanchester

Company Secretary

Company Registration number 2468112

Registered office

Nations House

103 Wigmore Street

London

W1U 1AE

Approved by the directors on 7 December 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ASHTENNE HOLDINGS LIMITED
FOR THE YEAR ENDED 31 MARCH 2010**

We have audited the financial statements of Ashtenne Holdings Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Parwinder Purewal (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 December 2010

ASHTENNE HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £'000	2009 £'000
Turnover	2	38	38,660
Property costs		-	-
GROSS PROFIT	3/4	38	38,660
Administrative expenses		(46)	351
OPERATING (LOSS) / PROFIT	3/4	(8)	39,011
Amounts written off of investments	8	399	(15,020)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		391	23,991
Interest receivable and similar income	5	31	7
Interest payable and similar charges	6	(61)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		361	23,998
Tax on profit on ordinary activities	7	54	(93)
PROFIT FOR THE FINANCIAL YEAR		415	23,905

All of the activities of the company are classed as continuing

There were no other recognised gains or losses in the year

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents

ASHTENNE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 MARCH 2010

	Note	2010 £'000	2009 £'000
FIXED ASSETS			
Investments	8	53,681	61,754
CURRENT ASSETS			
Debtors	9	91,630	147,365
Cash at bank and in hand		56	285
		<u>91,686</u>	<u>147,650</u>
CREDITORS: amounts falling due within one year	10	<u>(486)</u>	<u>(64,938)</u>
NET CURRENT ASSETS		<u>91,200</u>	<u>82,712</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>144,881</u>	<u>144,466</u>
CAPITAL AND RESERVES			
Called up share capital	11	7,221	7,221
Share premium account	12	54,603	54,603
Capital redemption reserve	13	7,149	7,149
Other reserve	13	21,610	21,610
Profit and loss account	13	54,298	53,883
TOTAL SHAREHOLDERS' FUNDS	14	<u>144,881</u>	<u>144,466</u>

These financial statements on pages 4 to 10 were approved by the board of directors on 7 December 2010 and were signed on behalf of the board of directors

M W Keogh



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) DIRECTORS

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V B Vaghela



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified to include the revaluation of certain tangible fixed assets and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

These audited financial statements have been prepared on a going concern basis, which assumes the company will continue to be able to meet its liabilities as and when they fall due, for the foreseeable future. The company has a debtor due from fellow group companies, if this debtor is not recoverable the company may not be able to meet its liabilities as and when they fall due. In order to gain comfort over the recoverability of the debtor, the directors have obtained a letter of financial support from the ultimate parent company. The company and its fellow subsidiaries are reliant on the parent company for ongoing financial support. In adopting the going concern basis, the directors have taken into account the ability and resources of the ultimate parent company to provide financial support.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost unless, in the opinion of the directors, there has been an impairment in the value of an investment, when an appropriate provision is made.

Investments in unlisted undertakings are revalued at the balance sheet date, using the company's share of net assets as a basis for valuation.

Taxation

Current taxation is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on the current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Consolidation

The company is a wholly owned subsidiary of Warner Estate Holdings PLC and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under Section 400 of the Companies Act 2006.

Administrative expenses

Administrative expenses include legal and other fees. They are recognised as expense in profit or loss account in the period in which they are incurred on an accruals basis.

Cash flow statement

The company's ultimate parent company, Warner Estate Holdings PLC, produces consolidated financial statements which are publicly available. The company is therefore exempt under the terms of the Financial Reporting Standard No. 1 (revised 1996), from publishing a cash flow statement.

Dividends

Final dividends to the company's shareholders are recognised as a liability in the accounts in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

Realised capital surpluses and deficits

Realised surpluses and deficits of a capital nature are transferred to the other reserve. This is a distributable reserve.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

2. TURNOVER

Turnover, all of which arises in the United Kingdom, represents dividends from group undertakings or distributions received from unlisted investments and are recognised in the profit and loss account over the period to which it relates

	2010 £'000	2009 £'000
Dividends received from group undertakings	38	38,660
	<u>38</u>	<u>38,660</u>

3 OPERATING (LOSS) / PROFIT

	2010 £'000	2009 £'000
Operating (loss) / profit is stated after charging/(crediting).		
Foreign exchange losses/(gains)	3	(377)
	<u>3</u>	<u>(377)</u>

The company incurs a management fee of which an element relates to the audit fee paid for by the ultimate parent. The audit fee for this company amounted to £2,000 (2009 £3,000)

4. DIRECTORS' EMOLUMENTS AND EMPLOYEE COSTS

The directors did not receive any emoluments in respect of their services to the company (2009 £nil)

The directors did not receive any compensation for loss of office (2009 £nil)

The company did not have any employees in the year (2009 none)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £'000	2009 £'000
Bank interest	-	7
Other interest	31	-
	<u>31</u>	<u>7</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £'000	2009 £'000
Other interest	61	-
	<u>61</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £'000	2009 £'000
UK corporation tax (credit) / charge	(21)	106
Current at 28%	(33)	(13)
Adjustment in respect of prior years		
	<u>(54)</u>	<u>93</u>

Reconciliation of the tax (credit) / charge for the year

The differences between the current tax (credit) / charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit on ordinary activities before taxation are as follows

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	<u>361</u>	<u>23,998</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28%	101	6,719
Effect of		
Dividends not taxable	(11)	(10,825)
Group relief subsidiaries	-	6
Write down of investments not allowable	(111)	4,206
	<u>(21)</u>	<u>106</u>

8. FIXED ASSET INVESTMENTS

	Shares in subsidiaries £'000	Investments in unlisted undertakings £'000	Total £'000
As at 1 April 2009	61,730	24	61,754
Additions	-	-	-
Disposals	(8,040)	(24)	(8,064)
Write down on investments	(9)	-	(9)
At 31 March 2010	<u>53,681</u>	<u>-</u>	<u>53,681</u>

Principal subsidiaries include

Subsidiary	Proportion share capital	
Birkby Limited	100% ordinary	Property management
Imex Spaces Limited	100% ordinary	Dormant
Ashtenne Investments Limited	100% ordinary	Dormant
Ashtenne Trade Park Investments Limited	100% ordinary	Dormant
Ashtenne Netherlands BV	100% ordinary	Dormant
Donewith Limited	100% ordinary	Dormant
Ascot Estates Limited	100% ordinary	Dormant

The dissolution of subsidiaries during the year resulted in the write off of a corresponding inter company creditor of £408,000, this offset with the write down on investments of £9,000 leaves a credit to the profit and loss account of £399,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

9. DEBTORS

	2010 £'000	2009 £'000
Amounts owed by group undertakings	91,512	147,116
Other taxation and social security	-	2
Other debtors	100	247
Prepayments and accrued income	18	-
	91,630	147,365

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

10. CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Trade creditors	-	8
Amounts owed to group undertakings	-	64,643
Other creditors	82	56
Corporation tax creditor	312	200
Accruals and deferred income	92	31
	486	64,938

It is not the intention of the group undertakings to request repayment of their outstanding balances until such a time as the company has sufficient funds available. Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

11 CALLED UP SHARE CAPITAL

	Number of shares	2010 £'000	Number of shares	2009 £'000
Authorised				
Ordinary shares of 20p each	66,119	13,224	66,119	13,224
	66,119	13,224	66,119	13,224
Allotted and fully paid:				
Ordinary shares of 20p each	36,105	7,221	36,105	7,221
	36,105	7,221	36,105	7,221

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

12. SHARE PREMIUM ACCOUNT

	£'000
At 1 April 2009 and 31 March 2010	<u>54,603</u>

13. STATEMENT OF MOVEMENTS ON RESERVES

	Capital redemption reserve £'000	Other reserve £'000	Profit and Loss account £'000
As at 1 April 2009	7,149	21,610	53,883
Profit for the financial year	-	-	415
At 31 March 2010	<u>7,149</u>	<u>21,610</u>	<u>54,298</u>

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2010 £'000	2009 £'000
Profit for the financial year	415	23,905
Opening shareholders' funds	<u>144,466</u>	<u>120,561</u>
Closing shareholders' funds	<u>144,881</u>	<u>144,466</u>

15. CONTINGENT LIABILITIES

There are cross guarantees between the group undertakings securing certain borrowing facilities. The bank overdrafts and loans of other group undertakings at 31 March 2010 amounted to £114,000,000 (2009 £163,000,000).

16. ULTIMATE PARENT AND CONTROLLING UNDERTAKING

The immediate parent company is Industrial Funds Limited which is registered in England and Wales. The ultimate parent and controlling undertaking is Warner Estate Holdings PLC, a company incorporated and registered in England and Wales. Copies of the group financial statements may be obtained from Nations House, 103 Wigmore Street, London, W1U 1AE.

17. RELATED PARTY TRANSACTIONS

As all voting rights are controlled by Warner Estate Holdings PLC, the company has taken advantage of the exemption available under FRS 8 'Related Party Disclosures' from disclosing transactions with parent and other group undertakings.