

**ASHFLAME PROPERTIES LIMITED**

**REPORT AND ACCOUNTS**

**31 DECEMBER 1999**

**2869019**



# ASHFLAME PROPERTIES LIMITED

## CONTENTS

Directors' report	1
Report of the auditors	2
Profit and loss account	3
Statement of total recognised gains and losses	3
Balance sheet	4
Notes on the accounts	5

# **ASHFLAME PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and audited accounts for the year ended 31 December 1999.

## **ACTIVITIES**

The company's principal activities are property development and investment in rented property.

## **RESULTS**

The results for the year are satisfactory, as are future prospects.

The profit for the year after taxation was £4,668 (1998: £463) and this amount is transferred to reserves. The directors do not recommend the payment of a dividend.

## **DIRECTORS AND THEIR INTERESTS**

The members of the board and their unchanged interests in the share capital of the company are:

	Ordinary Shares
A C Gallagher Chairman	16,250
J P Gallagher B.Sc.	16,250

Mr A C Gallagher retires by rotation and, being eligible, offers himself for re-election.

## **YEAR 2000**

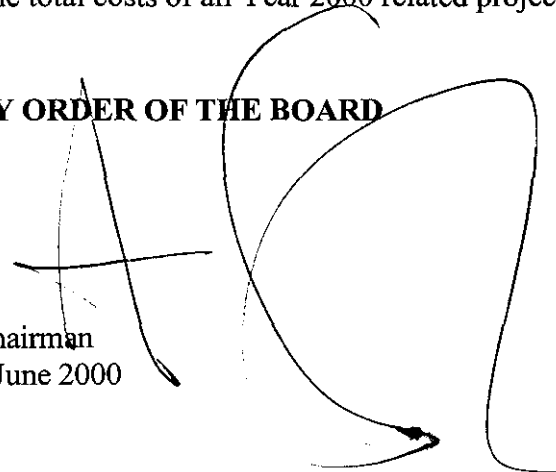
The company experienced no disruption or malfunction since the turn of the year arising from its own computer systems or equipment with embedded date reliant computer chips. The lack of disruption from the company's own systems and equipment is attributed to the analysis of risks carried out in 1998 to determine the impact of the Year 2000 problem on our activities and the consequential projects undertaken during 1999.

At this stage the full impact of third party Year 2000 problems on the company's business is still being assessed.

The total costs of all Year 2000 related projects was written off as incurred and was not material.

**BY ORDER OF THE BOARD**

Chairman  
5 June 2000



## **ASHFLAME PROPERTIES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS**

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### **AUDITORS' REPORT TO THE MEMBERS OF ASHFLAME PROPERTIES LIMITED**

We have audited the accounts on pages 3 to 7.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described above, this includes responsibility for preparing the accounts, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

#### **Basis of audit opinion**

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

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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PRICEWATERHOUSECOOPERS**

Chartered Accountants and Registered Auditors

Birmingham

5 June 2000

**ASHFLAME PROPERTIES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>TURNOVER</b>		18,843	16,056
<b>NET OPERATING EXPENSES</b>	2	<u>(1,609)</u>	<u>(5,923)</u>
<b>OPERATING PROFIT</b>		17,234	10,133
<b>INTEREST</b>	3	<u>(11,130)</u>	<u>(9,670)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		6,104	463
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	4	<u>(1,436)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>		4,668	463
<b>RETAINED PROFIT AT 31 DECEMBER 1998</b>		<u>20,293</u>	<u>19,830</u>
<b>RETAINED PROFIT AT 31 DECEMBER 1999</b>		<u>24,961</u>	<u>20,293</u>

All operations are of a continuing nature.

The profit based on historical cost is no different from the profit above.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED  
31 DECEMBER 1999**

	1999 £	1998 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	4,668	463
<b>UNREALISED GAIN ON REVALUATION OF PROPERTY</b>	<u>31,735</u>	<u>-</u>
	<u>36,403</u>	<u>463</u>

**ASHFLAME PROPERTIES LIMITED****BALANCE SHEET 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>	5	256,860	223,265
<b>CURRENT ASSETS</b>			
Debtors	6	1,720	265
Cash at bank		<u>54,739</u>	<u>38,128</u>
		56,459	38,393
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(191,623)</u>	<u>(176,365)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(135,164)</u>	<u>(137,972)</u>
<b>NET ASSETS</b>		<u>121,696</u>	<u>85,293</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	65,000	65,000
Revaluation reserve	9	31,735	-
Profit and loss account	9	<u>24,961</u>	<u>20,293</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	<u>121,696</u>	<u>85,293</u>

**APPROVED BY THE BOARD ON 5 JUNE 2000**  
**Chairman**

# ASHFLAME PROPERTIES LIMITED

## NOTES ON THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### ACCOUNTING BASIS

The accounts have been prepared on the historical cost basis and conform with applicable UK accounting standards.

The accounting policies set out below have been consistently applied.

#### (a) TURNOVER

Turnover represents gross rental income.

#### (b) INVESTMENT PROPERTIES

Investment properties, which are not depreciated, are valued annually by the directors at their estimate of open market value. A formal independent valuation is performed every 5 years from date of acquisition.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view.

#### (c) WORK IN PROGRESS

Work in progress, which includes land held for development, is valued at the lower of cost and net realisable value.

### 2. NET OPERATING EXPENSES

	1999 £	1998 £
Materials & services	1,468	5,782
Auditors' remuneration - audit	141	141
	<hr/> 1,609	<hr/> 5,923
	Number	Number
The average number of persons (including directors) employed by the company during the year was	<hr/> 2	<hr/> 2
	£	£
Directors' and employees' remuneration	<hr/> Nil	<hr/> Nil

# ASHFLAME PROPERTIES LIMITED

## NOTES ON THE ACCOUNTS

### 3. INTEREST

	1999 £	1998 £
Receivable	1,797	2,123
Payable on bank loans	(3,560)	(11,668)
Payable on other loans (see note 11)	(9,367)	(125)
	<u>(11,130)</u>	<u>(9,670)</u>

### 4. TAX

	£	£
On the profit for the year		
Corporation tax at 20.25% (1998: 21%)	1,153	-
Prior year charge	283	-
	<u>1,436</u>	<u>-</u>

### 5. FIXED ASSETS

	Freehold Investment Properties £
Cost: At 1 January 1999	223,265
Additions	1,860
Revaluations	<u>31,735</u>
At 31 December 1999	<u>256,860</u>

The revaluation of freehold investment properties was undertaken on an open market basis adjusted to reflect the existence of Shorthold Leases as at 31 December 1999 by John Shepherd FRICS, a partner in an independent firm of Chartered Surveyors.

All of the above investment properties are held for rental purposes.

### 6. DEBTORS

	1999 £	1998 £
Due within one year:		
Trade debtors	<u>1,720</u>	<u>265</u>



# ASHFLAME PROPERTIES LIMITED

## NOTES ON THE ACCOUNTS

	1999 £	1998 £
<b>7. CREDITORS: amounts falling due within one year</b>		
Bank loan	-	171,668
Other loans	185,355	1,985
Trade creditors	4,433	2,571
Other creditors	-	141
Corporation tax	1,835	-
	<u>191,623</u>	<u>176,365</u>

	£	£
<b>8. SHARE CAPITAL</b>		
Ordinary shares of £1 each		
Authorised	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid	<u>65,000</u>	<u>65,000</u>

	Profit & Loss Account £	Revaluation Reserve £
<b>9. RESERVES</b>		
At 1 January 1999	20,293	-
Retained profit for the year	4,668	-
Revaluation surplus	-	31,735
	<u>24,961</u>	<u>31,735</u>
At 31 December 1999		

	£	£
<b>10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS</b>		
Opening equity shareholders' funds	85,293	84,830
Profit on ordinary activities after tax	4,668	463
Other recognised gains	31,735	-
	<u>121,696</u>	<u>85,293</u>
Closing equity shareholders' funds		

### 11. RELATED PARTY TRANSACTION

At the year end the company has borrowed £185,355 (1998: £1,985) from J J Gallagher Limited, a company of which Mr A C Gallagher is the ultimate controlling party.

Interest is charged at 2% over HSBC Bank Plc Base Rate.

### 12. ULTIMATE CONTROLLING PARTY

No one individual is deemed to be the ultimate controlling party.