

**REGISTERED NUMBER: 02869019 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012  
FOR  
ASHFLAME PROPERTIES LIMITED**

WEDNESDAY



\*A104PUM0\*

A38

19/12/2012

#8

COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 31 March 2012**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>4</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Statement of Total Recognised Gains and Losses</b>	<b>7</b>
<b>Note of Historical Cost Profits and Losses</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9</b>

# **ASHFLAME PROPERTIES LIMITED**

## **COMPANY INFORMATION** **for the year ended 31 March 2012**

**DIRECTORS:** A C Gallagher  
G H Gosling

**SECRETARY:** S A Burnett

**REGISTERED OFFICE:** 15 Hockley Court  
Stratford Road  
Hockley Heath  
Solihull  
West Midlands  
B94 6NW

**REGISTERED NUMBER:** 02869019 (England and Wales)

**INDEPENDENT  
AUDITORS:** BDO LLP  
125 Colmore Row  
Birmingham  
B3 3SD

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2012**

The directors present their report with the financial statements of the company for the year ended 31 March 2012

The Report of the Directors has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property investment

**REVIEW OF BUSINESS**

Both the result for the financial year, and the year end financial position were satisfactory

The group of which the company is the ultimate parent has undertaken a programme of disposals within the last 3 years which has significantly reduced the bank debt within the group and released equity for future investment when market conditions improve. The directors have also renegotiated key bank loans for its subsidiaries and underlying Limited Liability Partnerships totalling £30.3 million. These facilities which are due for renewal in December 2015 will ensure the financial stability of these companies and their underlying Limited Liability Partnerships. As such the directors consider future prospects of the company and group to be satisfactory.

**DIVIDENDS**

No dividends were paid in the year ended 31 March 2012 (2011: £nil)

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

A C Gallagher  
G H Gosling

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 elected to prepare 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,
- 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.

**REPORT OF THE DIRECTORS (continued)  
for the year ended 31 March 2012**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**AUDITORS**

PricewaterhouseCoopers LLP resigned as auditors during the year and BDO LLP were appointed to fill the casual vacancy

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'G. H. Gosling', with a stylized flourish at the end.

G H Gosling - Director

11 July 2012

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

We have audited the financial statements of Ashflame Properties Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Statement of Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, 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).

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.

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

As explained more fully in the statement of directors' responsibilities, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2012 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 matter prescribed by the Companies Act 2006**

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASHFLAME PROPERTIES LIMITED (continued)**

### **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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

**BDO LLP**

Mark Anslow (Senior Statutory Auditor)  
for and on behalf of BDO LLP  
125 Colmore Row  
Birmingham  
B3 3SD

12 July 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC 305127)

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 2012**

	Notes	31 3 12 £	31 3 11 £
<b>TURNOVER</b>	2	351,873	3,941,303
Cost of sales		<u>201</u>	<u>(24,348)</u>
<b>GROSS PROFIT</b>		352,074	3,916,955
Administrative expenses		(428,694)	(1,062,337)
Exceptional provisions		<u>(1,271,802)</u>	<u>(10,629,602)</u>
<b>OPERATING LOSS</b>	4	(1,348,422)	(7,774,984)
Share of profit of Limited Liability Partnership		-	209,596
Write off of investments and loan waivers		<u>(2,085,240)</u>	<u>(13,364,973)</u>
		(3,433,662)	(20,930,361)
Income from fixed asset investments	5	3,659,296	6,825,000
Interest receivable and similar income	6	<u>44,762</u>	<u>109,657</u>
		270,396	(13,995,704)
Interest payable and similar charges	7	<u>-</u>	<u>(94,106)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		270,396	(14,089,810)
Tax on profit/(loss) on ordinary activities	8	<u>226,639</u>	<u>4,408</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	15	<u>497,035</u>	<u>(14,085,402)</u>

**CONTINUING OPERATIONS**

All of the company's activities relate to continuing operations

The notes form part of these financial statements

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 March 2012**

	31 3 12 £	31 3 11 £
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	497,035	(14,085,402)
Unrealised loss on revaluation of freehold investment property	<u>(255,000)</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>242,035</u>	<u>(14,085,402)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES  
for the year ended 31 March 2012**

	31 3 12 £	31 3 11 £
<b>REPORTED PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	270,396	(14,089,810)
Realisation of property revaluation reserve	<u>-</u>	<u>1,168,179</u>
<b>HISTORICAL COST PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>270,396</u>	<u>(12,921,631)</u>
<b>HISTORICAL COST PROFIT/(LOSS) FOR THE YEAR RETAINED AFTER TAXATION</b>	<u>497,035</u>	<u>(12,917,223)</u>

The notes form part of these financial statements

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****BALANCE SHEET****31 March 2012**

	Notes	31 3 12 £	31 3 11 £
<b>FIXED ASSETS</b>			
Tangible assets	9	717,696	972,696
Investments	10	<u>1,845,415</u>	<u>3,930,655</u>
		<u>2,563,111</u>	<u>4,903,351</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,834,270	3,992,759
Cash at bank		<u>366,012</u>	<u>1,091,732</u>
		3,200,282	5,084,491
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(1,004,496)</u>	<u>(5,910,980)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>2,195,786</u>	<u>(826,489)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,758,897	4,076,862
<b>PROVISIONS FOR LIABILITIES</b>	13	<u>(440,000)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>4,318,897</u>	<u>4,076,862</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	16,250	16,250
Revaluation reserve	15	(327,060)	(72,060)
Profit and loss account	15	<u>4,629,707</u>	<u>4,132,672</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>4,318,897</u>	<u>4,076,862</u>

The financial statements were approved by the Board of Directors on 11 July 2012 and were signed on its behalf by



G H Gosling - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 March 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties 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. In order to show a true and fair view, the company's accounting policy in respect of investment properties departs from the requirement of the Companies Act 2006. Details of this departure are given below.

The company is exempt from the requirement to prepare consolidated accounts, as the company and its subsidiaries qualify as a small sized group.

**Cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment, the incentive is treated as a reduction in rental income. The incentive is amortised on a straight-line basis over the period from term commencement to the date of the first rent review, in accordance with UITF 28. Where an incentive is given to a tenant by way of a rent free period, the total rental income receivable for the period to the first rent review is recognised on a straight-line basis from term commencement to the date of the first rent review, in accordance with UITF 28.

Turnover also includes management fees to joint venture companies and related companies under the control of Mr A C Gallagher.

**Cost of sales**

Cost of sales represents expenses relating to the servicing of property and collection of rental income.

**Investment property**

Until investment properties are complete they are included in the financial statements at cost. Once completed, open market valuations are applied. These are performed on a 3 year cycle subject to the reflection in the financial statements of any sustainable revaluation and any effect resulting from an annual impairment review.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot reasonably be separately identified or quantified.

In accordance with SSAP19, where a property valuation at the balance sheet date is less than the historic cost of the property and the directors believe that the decline in value is temporary, then the reduction in value is taken as a deficit on revaluation reserve and is not charged to the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**1 ACCOUNTING POLICIES - continued**

**Investments**

Fixed asset investments are recorded at cost less any permanent impairment in value

**Limited Liability Partnerships**

Where the company has an interest in a limited liability partnership, the company's share of the limited liability partnership's net profit is accounted for using the equity method. Net losses are not recognised unless an impairment is considered to have occurred. Its share of profit following acquisition is taken to the profit and loss account with a corresponding increase in the investment. This profit is not considered to be a distributable reserve until cash is received from the limited liability partnership. Tax arising on the share of the limited liability partnership's profits is borne directly by the members and is therefore accounted for in the company.

**Deferred tax**

Full provision is made on a non-discounted basis for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

**Going concern**

The financial statements have been prepared on a going concern basis with the directors considering the cash flows for the company and group arising from the rental inflows, operating costs, property development projects and financing activities in the current market conditions. Ashflame Properties Limited has provided confirmation of support to certain subsidiary undertakings and the directors have reviewed the basis on which this parent company support can be provided.

The directors believe that the position of the group is strong and the directors will be able to manage the group satisfactorily.

**2 TURNOVER**

The turnover and profit (2011 - loss) before taxation are attributable to the one principal activity of the company.

Included in turnover are management fees which were received from joint ventures and related companies as follows:

	31 3 12	31 3 11
	£	£
Countywide Developments Limited	-	12,500
Greenock Retail Limited (50% joint venture)	300,000	350,000
Islandview Properties Limited (50% joint venture)	-	3,335,500
	<u>300,000</u>	<u>3,698,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**3 STAFF COSTS**

There were no direct staff costs for the year ended 31 March 2012 (2011 £nil) However, management fees were paid to related companies for the service of individuals who had performed work on behalf of Ashflame Properties Limited as follows

	31 3 12	31 3 11
	£	£
J J Gallagher Limited	111,927	628,940
Countywide Developments Limited	48,750	40,000
Gallagher UK Limited	<u>200,111</u>	<u>47,808</u>
	360,788	716,748

**4 OPERATING LOSS**

The operating loss is stated after charging

	31 3 12	31 3 11
	£	£
Auditors' remuneration	5,000	5,000
Auditors' remuneration for non audit work	-	31,625
Exceptional bad debt provision	831,802	10,629,602
Exceptional provision	<u>440,000</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

The exceptional bad debt provision of £831,802 (2011 £10,629,602) relates to provisions against the recoverability of loans made to its subsidiary companies and joint ventures The exceptional provision of £440,000 relates to contingent liabilities disclosed in note 17 to the accounts

The directors are paid by Gallagher UK Limited, a company owned by the ultimate shareholder Mr A C Gallagher, and their emoluments are disclosed in the financial statements of that company

**5 INCOME FROM FIXED ASSET INVESTMENTS**

	31 3 12	31 3 11
	£	£
Frome Property Investments Limited	370	525,000
Islandview Properties Limited (50% joint venture)	1,500,000	5,000,000
TLPD Limited	2,099,413	1,200,000
Winnersh Property Investments Limited	3,758	100,000
Dividends received from unlisted investments	<u>55,755</u>	<u>-</u>
	<u>3,659,296</u>	<u>6,825,000</u>

**6 INTEREST RECEIVABLE AND SIMILAR INCOME**

	31 3 12	31 3 11
	£	£
Deposit account interest	4,239	9,408
Other interest receivable	1,423	5
Interest receivable on loans to group undertakings	-	90,856
Interest receivable on loans to related undertakings	<u>39,100</u>	<u>9,388</u>
	<u>44,762</u>	<u>109,657</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**7 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 3 12 £	31 3 11 £
Interest payable on loans from group undertakings	-	28,760
Other	-	65,346
	<u>-</u>	<u>94,106</u>

**8 TAXATION**

**Analysis of the tax credit**

The tax credit on the profit/(loss) on ordinary activities for the year was as follows

	31 3 12 £	31 3 11 £
Current tax		
UK corporation tax	-	(251,411)
Group relief	325	251,411
Prior year corporation tax	251,411	-
Group relief prior year	<u>(478,375)</u>	<u>(4,408)</u>
 Tax on profit/(loss) on ordinary activities	 <u>(226,639)</u>	 <u>(4,408)</u>

The current corporation tax credit differs from the standard UK corporation tax rate of 26% applied to the profit/(loss) for the year. The differences are

	31 3 12 £	31 3 11 £
Profit/(loss) on ordinary activities at the standard rate of 26% (2011 28%)	70,303	(3,945,147)
Expenses not deductible for tax	873,391	5,633,129
Dividends not subject to tax	(951,417)	(1,911,013)
Capital allowances in excess of depreciation	(2,689)	(3,620)
Partnership profit not recognised in the accounts	92	-
Capital transactions	-	65,739
Creation of tax losses	181,742	160,912
Intragroup transfer of capital losses not paid for	(171,097)	-
Prior year tax	<u>(226,964)</u>	<u>(4,408)</u>
	<u>(226,639)</u>	<u>(4,408)</u>

No tax is expected to become payable in the event of the sale of the investment property for the amount at which it is stated in Note 9. The company has tax losses of £5.2 million at 24% (2011: £3.8 million at 26%) which are available to carry forward. No deferred tax asset has been recognised as the directors are, as yet, uncertain when these will be utilised.

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**9 TANGIBLE FIXED ASSETS**

	Freehold Investment Property £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>			
At 1 April 2011	955,000	40,392	995,392
Revaluations	<u>(255,000)</u>	<u>-</u>	<u>(255,000)</u>
At 31 March 2012	<u>700,000</u>	<u>40,392</u>	<u>740,392</u>
<b>DEPRECIATION</b>			
At 1 April 2011			
and 31 March 2012	<u>-</u>	<u>22,696</u>	<u>22,696</u>
<b>NET BOOK VALUE</b>			
At 31 March 2012	<u>700,000</u>	<u>17,696</u>	<u>717,696</u>
At 31 March 2011	<u>955,000</u>	<u>17,696</u>	<u>972,696</u>

The carrying value of the fixed asset property was reviewed in accordance with the accounting policy and a revaluation was undertaken on an open market basis as at 31 March 2012 by a director

The historic cost of the freehold investment property is £1,027,060 (2011 £1,027,060)

The freehold investment property is held for letting

**10 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in associate undertakings £	Interest in Limited Liability Partnerships £	Unlisted investments £	Totals £
<b>COST</b>					
At 1 April 2011	2,085,261	110	14,730	1,830,554	3,930,655
Investment written off	<u>(2,085,239)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(2,085,240)</u>
At 31 March 2012	<u>22</u>	<u>109</u>	<u>14,730</u>	<u>1,830,554</u>	<u>1,845,415</u>
<b>NET BOOK VALUE</b>					
At 31 March 2012	<u>22</u>	<u>109</u>	<u>14,730</u>	<u>1,830,554</u>	<u>1,845,415</u>
At 31 March 2011	<u>2,085,261</u>	<u>110</u>	<u>14,730</u>	<u>1,830,554</u>	<u>3,930,655</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**10 FIXED ASSET INVESTMENTS - continued**

The results for the Company's principal subsidiaries are as follows

	Turnover £	Loss before taxation £	Taxation £	Loss after taxation £
<b>Year ended 31 March 2012</b>				
Biddulph Property Investments Limited	-	(66,846)	-	(66,846)
EBW Property Investments Limited	-	(133,700)	(36,599)	(170,299)
Ensco 807 Limited	-	(121,763)	31,638	(90,125)
Hull Property Investments Limited	-	(66,150)	(179,359)	(245,509)
Trowbridge Property Investments Limited	-	(7,299)	1,625	(5,674)

	Turnover £	Loss before taxation £	Taxation £	Loss after taxation £
<b>Year ended 31 March 2011</b>				
Biddulph Property Investments Limited	-	(58,020)	16,246	(41,774)
EBW Property Investments Limited	-	(979,494)	54,449	(925,045)
Ensco 807 Limited	-	(56,554)	11,135	(45,419)
Hull Property Investments Limited	-	(893,922)	8,576	(885,346)
Trowbridge Property Investments Limited	-	(476,336)	55,114	(421,222)

	Fixed assets £	Current Assets £	Current Liabilities £	Liabilities due after one year £
<b>Year ended 31 March 2012</b>				
Biddulph Property Investments Limited	1,000,000	519	(224,654)	(3,191,127)
EBW Property Investments Limited	-	214,196	(2,271,997)	-
Ensco 807 Limited	-	5,035,506	(5,171,049)	-
Hull Property Investments Limited	1	-	(1,120,259)	-
Trowbridge Property Investments Limited	-	24,004	(1,108,838)	-

	Fixed assets £	Current Assets £	Current Liabilities £	Liabilities due after one year £
<b>Year ended 31 March 2011</b>				
Biddulph Property Investments Limited	1,000,000	1,837	(3,310,922)	-
EBW Property Investments Limited	-	3	(1,843,686)	(43,819)
Ensco 807 Limited	-	4,901,017	(4,946,435)	-
Hull Property Investments Limited	1	-	(838,677)	(36,073)
Trowbridge Property Investments Limited	1,500,000	652	(2,579,812)	-

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**10 FIXED ASSET INVESTMENTS - continued**

During the year ended 31 March 2012, TLPD Limited carried out a capital restructuring. As a result the company received a dividend of £2,099,413 (note 5) and wrote down its investments in TLPD Limited by £2,085,240. During the year ended 31 March 2011, the company purchased its unlisted investments on an arms length basis from its subsidiary, TLPD Limited for £1,830,554.

The interest in Limited Liability Partnerships relates to the Company's 50% share of the net assets of Glenrothes Retail LLP.

Included in unlisted investments at 31 March 2012 was £928,290 which represented a 23.6% holding of the ordinary share capital of Newater Investments Limited. Newater Investments Limited reported a loss after taxation of £42,112 (2011: profit of £111,780) for the year ended 29 September 2011 and net assets of £3,011,087 (2011: £3,576,847) at that date.

**11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 12	31 3 11
	£	£
Trade debtors	30,135	89,135
Amounts owed by group undertakings	142,206	978,947
Amounts owed by related undertakings	2,626,495	2,587,394
Other debtors	6,950	1,905
Corporation tax recoverable	-	335,378
VAT recoverable	28,484	-
	<u>2,834,270</u>	<u>3,992,759</u>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 12	31 3 11
	£	£
Trade creditors	1,911	15,354
Amounts owed to group undertakings	1,373	2,111,795
Amounts owed to related undertakings	-	323,250
VAT payable	-	47,841
Other creditors	146,109	146,109
Amounts due to joint ventures	797,778	3,097,777
Accruals and deferred income	57,325	168,854
	<u>1,004,496</u>	<u>5,910,980</u>

**13 PROVISIONS FOR LIABILITIES**

	31 3 12	31 3 11
	£	£
Other provisions (note 17)	<u>440,000</u>	<u>-</u>

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012****14 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid Number	Class	Nominal value £1	31 3 12 £	31 3 11 £
16,250	Ordinary		<u>16,250</u>	<u>16,250</u>

**15 RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2011	4,132,672	(72,060)	4,060,612
Profit for the financial year	497,035	-	497,035
Revaluation in year	-	(255,000)	(255,000)
At 31 March 2012	<u>4,629,707</u>	<u>(327,060)</u>	<u>4,302,647</u>

**16 ULTIMATE PARENT COMPANY**

The controlling party of the company is Mr A C Gallagher by virtue of his ownership of all of the issued share capital of the company

**17 CONTINGENT LIABILITIES**

Ashflame Properties Limited together with Countywide Developments Limited, a related company controlled by Mr A C Gallagher, have provided guarantees on a joint and several basis to HSBC in respect of loan facilities entered into by its subsidiary Biddulph Property Investments Limited totalling £612,000 and in respect of joint ventures of £3.5 million. In addition the Company together with Countywide Developments Limited has provided Ashflame Scunthorpe Limited, a related company controlled by Mr A C Gallagher, an indemnity in relation to its cross collateralisation of its assets for the HSBC loan. In connection with this £440,000 has been provided for. At the date of signing these financial statements no default has occurred in respect of these loans and therefore no calls on these guarantees have been made.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**18 RELATED PARTY DISCLOSURES**

**GROUP COMPANIES**

During the year Ashflame Properties Limited advanced/(received) loans to group undertakings

The following balances were receivable at 31 March

	31 3 12	31 3 11
	£	£
Biddulph Property Investments Limited	210,504	106,123
EBW Property Investments Limited	2,271,097	1,842,186
Ensco 807 Limited	119,207	2,235
Hull Property Investments Limited	1,119,359	837,427
Inverkip Street Property Investments Limited	-	890,375
Launceston Property Investments Limited	-	2,102,151
Neath Property Investments Limited	-	737,458
Rainham Property Investments Limited	-	1,895,640
Stockport Property Investments Limited	-	1,151,352
Trowbridge Property Investments Limited	1,107,837	2,005,591
Less provisions against recoverability of above loans	<u>(4,685,798)</u>	<u>(10,591,591)</u>
	<u>142,206</u>	<u>978,947</u>

During the year ended 31 March 2012, the company formally waived £6.7m of its loans to subsidiaries. These loans had been fully provided against in prior years.

The following balances were payable at 31 March

	31 3 12	31 3 11
	£	£
Frome Property Investments Limited	2	7,871
Rainham Property Investments Limited	1,368	-
TLPD Limited	1	2,099,414
Winnersh Property Investments Limited	<u>2</u>	<u>4,510</u>
	<u>1,373</u>	<u>2,111,795</u>

**RELATED COMPANIES**

**J J GALLAGHER LIMITED**

J J Gallagher Limited is a company controlled by Mr A C Gallagher. During the year the following arm's length transactions took place between J J Gallagher Limited and Ashflame Properties Limited:

	2012	2011
	£	£
Sales disposal fee from J J Gallagher Limited	<u>-</u>	<u>439,250</u>

Included in accruals at 31 March 2011 is £323,250 relating to the above. This amount was paid during the year ended 31 March 2012.

# **ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)**

## **NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2012**

### **COUNTYWIDE DEVELOPMENTS LIMITED**

Countywide Developments Limited is a company controlled by Mr A C Gallagher. At 31 March 2012 Ashflame Properties Limited owed Countywide Developments Limited £2,626,495 (2011 £2,587,394). Interest was charged at 1% above the Bank of England base rate on this loan totalling £39,100 (2011 £9,387).

### **JOINT VENTURES**

GDHV Projects Limited is a company 50% owned by Gallagher UK Limited, a company controlled by Mr A C Gallagher. During the year ended 31 March 2011, GDHV Projects Limited charged Ashflame Properties Limited £40,000 in project management fees (2012 none).

During the year Ashflame Properties Limited advanced/(received) loans to joint ventures

The following balances were receivable at 31 March

	31 3 12	31 3 11
	£	£
Clacton Property Investments Limited	2,970,251	2,970,251
Glenrothes Properties LLP	1,126,406	1,126,406
Richminster Properties Limited	2,233,669	2,231,919
Wick Property Investments Limited	2,393,041	2,392,931
Less provisions against recoverability of above loans	<u>(8,723,367)</u>	<u>(8,721,507)</u>
	<u>-</u>	<u>-</u>

The following balances were payable at 31 March

	31 3 12	31 3 11
	£	£
Islandview Properties Limited	217,479	2,217,478
Greenock Retail Limited	<u>580,299</u>	<u>880,299</u>
	<u>797,778</u>	<u>3,097,777</u>

### **TRANSACTIONS WITH DIRECTORS**

Mr G H Gosling is a principal in a firm providing and obtaining consulting services for the group. During the year, sums totalling £5,000 (2011 £nil) were charged by this practice on an arm's length basis. This amount is included in accruals at 31 March 2012 and was paid post year end.

## **19 ULTIMATE CONTROLLING PARTY**

The controlling party of the company is Mr A C Gallagher by virtue of his ownership of all of the issued share capital of the company.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 March 2012**

**20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 3 12	31 3 11
	£	£
Profit/(loss) for the financial year	497,035	(14,085,402)
Other recognised gains and losses relating to the year (net)	<u>(255,000)</u>	<u>-</u>
<b>Net addition/(reduction) to shareholders' funds</b>	242,035	(14,085,402)
Opening shareholders' funds	<u>4,076,862</u>	<u>18,162,264</u>
<b>Closing shareholders' funds</b>	<u><u>4,318,897</u></u>	<u><u>4,076,862</u></u>