

REGISTERED NUMBER: 02869019 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2012 TO 30 SEPTEMBER 2013
FOR
ASHFLAME PROPERTIES LIMITED**

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for the period 1 April 2012 to 30 September 2013**

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ASHFLAME PROPERTIES LIMITED

COMPANY INFORMATION

for the period 1 April 2012 to 30 September 2013

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:**

Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham
United Kingdom

REPORT OF THE DIRECTORS

for the period 1 April 2012 to 30 September 2013

The directors present their report with the financial statements of the company for the period 1 April 2012 to 30 September 2013. The prior period was for the year ended 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property and other investment.

REVIEW OF BUSINESS

Both the result for the financial period, and the period end financial position were satisfactory.

The group of which the company is the ultimate parent is continuing to operate in challenging market conditions in both the general investment and the property investment market. The company made a provision of £575,000 (year ended 31 March 2012: £nil) during the period against one of its investments in a property investment company who suffered from a number of tenants going into liquidation.

Conversely, in September 2013, the company has invested in a property development project through its 75% subsidiary 15 -17 Alexandra Road (Two) Limited and this development is expected to be completed and sold at a profit in early 2014. The company's subsidiary, Ensco 807 Limited has also secured pre lets and then commenced construction of two units (approx 48,000sqft). The directors believe that construction is on target with completion in early 2014 and the site being income producing thereafter.

During the year ended 31 March 2012, the directors 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.

The directors consider future prospects of the company and group to be satisfactory.

DIVIDENDS

No dividends were paid in the period ended 30 September 2013 (year ended 31 March 2012: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

A C Gallagher
G H Gosling

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.

**REPORT OF THE DIRECTORS - continued
for the period 1 April 2012 to 30 September 2013**

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.

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.

INDEPENDENT AUDITORS

BDO LLP resigned as auditors during the period and Deloitte LLP were appointed to fill the casual vacancy. Appropriate arrangements have been put in place for Deloitte LLP to be re-appointed as auditors in the absence of an Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



G H Gosling - Director

12 December 2013

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

We have audited the financial statements of Ashflame Properties Limited for the 18 month period ended 30 September 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and related notes 1 to 19. 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 auditors' 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 Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2013 and of its loss for the 18 month period 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

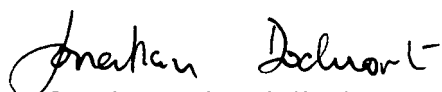
In our opinion the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

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 take advantage of the small companies' exemption in preparing the Report of the Directors.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham
United Kingdom

12 December 2013

ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)**PROFIT AND LOSS ACCOUNT****for the period 1 April 2012 to 30 September 2013**

	Notes	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
TURNOVER	2	98,978	351,873
Cost of sales		<u>(4,950)</u>	<u>201</u>
GROSS PROFIT		94,028	352,074
Administrative expenses		(371,553)	(428,694)
Exceptional provisions		<u>(134,157)</u>	<u>(1,271,802)</u>
OPERATING LOSS	4	(411,682)	(1,348,422)
Write off of investments and loan waivers		(575,439)	(2,085,240)
Income from fixed asset investments	5	246,950	3,659,296
Interest receivable and similar income	6	16,321	44,762
Interest payable and similar charges	7	<u>(670)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(724,520)	270,396
Tax on (loss)/profit on ordinary activities	8	<u>6,954</u>	<u>226,639</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	15, 18	<u><u>(717,566)</u></u>	<u><u>497,035</u></u>

CONTINUING OPERATIONS

All of the company's activities relate to continuing operations.

The notes form part of these financial statements

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period 1 April 2012 to 30 September 2013

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(717,566)	497,035
Unrealised loss on revaluation of freehold investment property	<u>-</u>	<u>(255,000)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	<u>(717,566)</u>	<u>242,035</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

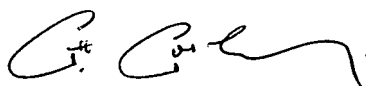
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)

BALANCE SHEET
30 September 2013

	Notes	30.9.13 £	31.3.12 £
FIXED ASSETS			
Tangible assets	9	717,696	717,696
Investments	10	<u>1,270,051</u>	<u>1,845,415</u>
		<u>1,987,747</u>	<u>2,563,111</u>
CURRENT ASSETS			
Debtors	11	3,270,748	2,834,270
Cash at bank		<u>11,427</u>	<u>366,012</u>
		3,282,175	3,200,282
CREDITORS			
Amounts falling due within one year	12	<u>(1,228,591)</u>	<u>(1,004,496)</u>
NET CURRENT ASSETS		<u>2,053,584</u>	<u>2,195,786</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,041,331	4,758,897
PROVISIONS FOR LIABILITIES	13	<u>(440,000)</u>	<u>(440,000)</u>
NET ASSETS		<u>3,601,331</u>	<u>4,318,897</u>
CAPITAL AND RESERVES			
Called up share capital	14	16,250	16,250
Revaluation reserve	15	(327,060)	(327,060)
Profit and loss account	15	<u>3,912,141</u>	<u>4,629,707</u>
SHAREHOLDERS' FUNDS	18	<u>3,601,331</u>	<u>4,318,897</u>

The financial statements were approved by the Board of Directors on 12 December 2013 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 period 1 April 2012 to 30 September 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by revaluation of investment properties in accordance with applicable Accounting Standards in the United Kingdom. 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. A summary of the more important accounting policies, which have been applied consistently in both periods, is set out 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 completed they are included in the financial statements at cost. Once completed open market valuations are performed on an annual basis. The valuations are incorporated into these financial statements with the resulting revaluation adjustments taken to the revaluation reserve.

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 period 1 April 2012 to 30 September 2013

1. ACCOUNTING POLICIES - continued

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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.

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.

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 loss (2012 - profit) 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:

	Period 1.4.12 to 30.9.13 £	Year ended 31.3.12 £
Greenock Retail Limited (50% joint venture)	-	300,000
	-	300,000

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

3. STAFF COSTS

There were no direct staff costs for the 18 month period ended 30 September 2013 (year ended 31 March 2012: £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:

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
J J Gallagher Limited	123,189	111,927
Countywide Developments Limited	-	48,750
Gallagher UK Limited	<u>233,617</u>	<u>200,111</u>
	<u>356,806</u>	<u>360,788</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
Auditors' remuneration	3,500	5,000
Exceptional bad debt provision	134,157	831,802
Exceptional provision	<u>-</u>	<u>440,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

The Auditors' remuneration relates to fees payable to the Company's auditors for the audit of the Company's annual accounts. There were no non-audit services provided to this company in either period.

The exceptional bad debt provision of £134,157 (year ended 31 March 2012: £831,802) relates to provisions against the recoverability of loans made to its subsidiary companies and joint ventures. The exceptional provision of £nil (year ended 31 March 2012: £440,000) relates to contingent liabilities disclosed in note 16 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. As disclosed in note 3, the company is subject to a management charge by Gallagher UK Limited and it is not practical to split out the Directors' remuneration element within that management charge.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013**

5. INCOME FROM FIXED ASSET INVESTMENTS

	Period 1.4.12 to 30.9.13 £	Year ended 31.3.12 £
Frome Property Investments Limited	-	370
Islandview Properties Limited (50% joint venture)	180,000	1,500,000
Linwood Property Investments Limited (20% associate)	2,489	-
Rainham Property Investments Limited	3,455	-
TLPD Limited	-	2,099,413
Winnersh Property Investments Limited	-	3,758
Dividends received from unlisted investments	61,006	55,755
	<u>246,950</u>	<u>3,659,296</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
Deposit account interest	3,613	4,239
Other interest receivable	2,886	1,423
Interest receivable on loans to related undertakings	9,822	39,100
	<u>16,321</u>	<u>44,762</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
Bank interest	14	-
Interest payable on loans to related undertakings	656	-
	<u>670</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

8. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the period/year was as follows:

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
Current tax:		
Group relief	-	325
Prior year corporation tax	-	251,411
Group relief prior year	<u>(6,954)</u>	<u>(478,375)</u>
 Tax on (loss)/profit on ordinary activities	 <u><u>(6,954)</u></u>	 <u><u>(226,639)</u></u>

The current corporation tax credit differs from the standard UK corporation tax rate of 23.67% applied to the (loss)/profit for the period/year. The differences are:

	Period 1.4.12 to 30.9.13 £	Year Ended 31.3.12 £
(Loss)/profit on ordinary activities at the standard rate of 23.67% (year ended 31 March 2012: 26%)	(171,494)	70,303
Expenses not deductible for tax	168,032	873,391
Dividends not subject to tax	(58,453)	(951,417)
Capital allowances in excess of depreciation	-	(2,689)
Partnership profit not recognised in the accounts	(184)	92
Creation of tax losses	63,235	181,742
Intragroup transfer of capital losses not paid for	(1,136)	(171,097)
Prior year adjustment	<u>(6,954)</u>	<u>(226,964)</u>
	<u><u>(6,954)</u></u>	<u><u>(226,639)</u></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. At 30 September 2013, the company has tax losses of £4.9 million at 20% (year ended 31 March 2012: £5.2 million at 24%) 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.

Legislation reducing the main rate of corporation tax to 23% with effect from 1 April 2013 was substantively enacted on 17 July 2012. Accordingly, the current period tax charge has been provided for at an effective rate of 23.67% for the 18 months ended 30 September 2013.

On 17 July 2013, legislation reducing the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 was enacted and therefore deferred tax assets and liabilities have been provided for at a rate of 20% in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

9. TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Fixtures and fittings £	Totals £
COST			
At 1 April 2012			
and 30 September 2013	<u>700,000</u>	<u>40,392</u>	<u>740,392</u>
DEPRECIATION			
At 1 April 2012			
and 30 September 2013	<u>-</u>	<u>22,696</u>	<u>22,696</u>
NET BOOK VALUE			
At 30 September 2013	<u>700,000</u>	<u>17,696</u>	<u>717,696</u>
At 31 March 2012	<u>700,000</u>	<u>17,696</u>	<u>717,696</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 30 September 2013 by a director.

The historic cost of the freehold investment property is £1,027,060 (year ended 31 March 2012: £1,027,060).

The freehold investment property is held for letting.

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Interest in associate £	Interest in Limited Liability Partnerships £	Unlisted investments £	Totals £
COST					
At 1 April 2012	22	109	14,730	1,830,554	1,845,415
Additions	75	-	-	-	75
Investment written off	(12)	(2)	-	-	(14)
Impairments	<u>-</u>	<u>-</u>	<u>(425)</u>	<u>(575,000)</u>	<u>(575,425)</u>
At 30 September 2013	<u>85</u>	<u>107</u>	<u>14,305</u>	<u>1,255,554</u>	<u>1,270,051</u>
NET BOOK VALUE					
At 30 September 2013	<u>85</u>	<u>107</u>	<u>14,305</u>	<u>1,255,554</u>	<u>1,270,051</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>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

10. FIXED ASSET INVESTMENTS - continued

The company held shares in the following property investment subsidiaries at 30 September 2013 all of which are incorporated in England and Wales:

	Percentage of Ordinary Share Capital
Biddulph Property Investments Limited	100% directly held
EBW Property Investments Limited	100% directly held
Ensco 807 Limited	100% directly held
Hull Property Investments Limited	100% directly held

The company also has a 100% interest in TLPD Limited, a dormant company and a 100% interest in Rainham Property Investments Limited which is in the process of being struck off. Both companies are incorporated in England and Wales.

In September 2013, the company purchased 75 £1 ordinary shares in its 75% subsidiary, 15 - 17 Alexandra Road (Two) Limited.

The company has 20% interests in the following associated companies. All of the companies are property investment companies and are incorporated in England and Wales:

	Percentage of Ordinary Share Capital
Scunthorpe Property Investments Limited	20% directly held
Solihull Property Investments Limited	20% directly held

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

	Turnover	Loss before taxation	Taxation	Loss after taxation
Period ended 30 September 2013	£	£	£	£
15 - 17 Alexandra Road (Two) Limited	-	-	-	-
Biddulph Property Investments Limited	-	(84,991)	17,380	(67,611)
EBW Property Investments Limited	-	(23,400)	(36,167)	(59,567)
Ensco 807 Limited	-	(310,744)	669	(310,075)
Hull Property Investments Limited	-	(12,900)	121,789	108,889

	Turnover	Loss before taxation	Taxation	Loss after taxation
Year ended 31 March 2012	£	£	£	£
Biddulph Property Investments Limited	-	(2,153,300)	-	(2,153,300)
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)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

10. FIXED ASSET INVESTMENTS - continued

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
Period ended 30 September 2013	£	£	£	£
15 - 17 Alexandra Road (Two) Limited	-	332,600	(332,500)	-
Biddulph Property Investments Limited	1,000,000	167	(288,292)	(3,194,748)
EBW Property Investments Limited	-	220,838	(2,338,206)	-
Ensco 807 Limited	9,058,319	840,214	(4,363,280)	(5,980,871)
Hull Property Investments Limited	1	328,314	(1,339,684)	-

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
Year ended 31 March 2012	£	£	£	£
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)	-

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.

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 30 September 2013 was a net value of £214,798 which represented a 23.6% holding of the ordinary share capital of Newater Investments Limited. Newater Investments Limited reported a loss after taxation of £172,990 (2011: £42,122) for the year ended 29 September 2012 and net assets of £922,227 (2011: £3,011,087) at that date. During the period ended 30 September 2013, a provision of £575,000 has been made against the value of this investment (year ended 31 March 2012: £nil). This investment is not treated as an associate as the company does not exercise significant influence over Newater Investments Limited.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.13	31.3.12
	£	£
Trade debtors	11,762	30,135
Amounts owed by group undertakings	3,222,994	142,206
Amounts owed by related undertakings	-	2,626,495
Other debtors	13,570	6,950
VAT recoverable	22,422	28,484
	<u>3,270,748</u>	<u>2,834,270</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.13	31.3.12
	£	£
Trade creditors	59	1,911
Amounts owed to group undertakings	3	1,373
Amounts owed to related undertakings	494,044	-
Other creditors	146,184	146,109
Amounts due to joint ventures	557,777	797,778
Accruals and deferred income	30,524	57,325
	<u>1,228,591</u>	<u>1,004,496</u>

13. PROVISIONS FOR LIABILITIES

	30.9.13	31.3.12
	£	£
Other provisions (note 16)	<u>440,000</u>	<u>440,000</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.13	31.3.12
			£	£
16,250	Ordinary	£1	<u>16,250</u>	<u>16,250</u>

15. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2012	4,629,707	(327,060)	4,302,647
Loss for the financial period	<u>(717,566)</u>	<u>-</u>	<u>(717,566)</u>
At 30 September 2013	<u>3,912,141</u>	<u>(327,060)</u>	<u>3,585,081</u>

The directors believe the fall in value of the freehold investment property is temporary.

16. 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 (31 March 2012; £440,000). 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 period 1 April 2012 to 30 September 2013****17. RELATED PARTY DISCLOSURES****GROUP COMPANIES**

Ashflame Properties Limited advanced/(received) loans to group undertakings and the following balances were receivable at 30 September 2013/31 March 2012:

	30.9.13	31.3.12
	£	£
15 - 17 Alexandra Road (Two) Limited	249,375	-
Biddulph Property Investments Limited	277,500	210,504
EBW Property Investments Limited	2,337,306	2,271,097
Ensco 807 Limited	2,750,416	119,207
Hull Property Investments Limited	1,338,784	1,119,359
Trowbridge Property Investments Limited	-	1,107,837
Less provisions against recoverability of above loans	<u>(3,730,387)</u>	<u>(4,685,798)</u>
	<u>3,222,994</u>	<u>142,206</u>

During the period ended 30 September 2013, the company formally waived £nil (year ended 31 March 2012: £6.7m) of its loans to subsidiaries. These loans had been fully provided against in prior years.

The following balances were payable at 30 September 2013/31 March 2012:

	30.9.13	31.3.12
	£	£
Frome Property Investments Limited	-	2
Rainham Property Investments Limited	2	1,368
TLPD Limited	1	1
Winnersh Property Investments Limited	<u>-</u>	<u>2</u>
	<u>3</u>	<u>1,373</u>

RELATED COMPANIES**MANAGEMENT FEES**

Included in administrative expenses to 30 September 2013 are management fees payable to related companies referred to in note 3.

J J GALLAGHER LIMITED

J J Gallagher Limited is a company controlled by Mr A C Gallagher. At 30 September 2013, the company owed J J Gallagher Limited £13 (year ended 31 March 2012: £nil) due to a recharge of costs incurred in the ordinary course of business.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013****17. RELATED PARTY DISCLOSURES - continued****COUNTYWIDE DEVELOPMENTS LIMITED**

Countywide Developments Limited is a company controlled by Mr A C Gallagher. At 30 June 2012, the loan from Countywide Developments Limited to Ashflame Properties Limited totalling £2,636,317 was repaid. The amount owed by Countywide Developments Limited at 31 March 2012 was £2,626,495. Interest was received on these loans at 1% above the Bank of England base rate and the total interest received during the period was £9,822 (year ended 31 March 2012: £39,100). In September 2013, the company borrowed £494,031 from Countywide Developments Limited. In the period ended 30 September 2013 interest was payable at 3.5% above the Bank of England base rate on £249,375 of this loan which was subject to a loan agreement. Interest of £656 was paid on this loan and no interest was charged on remainder of this short term loan.

JOINT VENTURES

Ashflame Properties Limited advanced/(received) loans to joint ventures and the following balances were receivable at 30 September 2013/31 March 2012:

	30.9.13	31.3.12
	£	£
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	2,233,669
Wick Property Investments Limited	2,393,041	2,393,041
Less provisions against recoverability of above loans	<u>(8,723,367)</u>	<u>(8,723,367)</u>
	<u>-</u>	<u>-</u>

The following balances were payable at 30 September 2013/31 March 2012:

	30.9.13	31.3.12
	£	£
Islandview Properties Limited	37,478	217,479
Greenock Retail Limited	<u>520,299</u>	<u>580,299</u>
	<u>557,777</u>	<u>797,778</u>

TRANSACTIONS WITH DIRECTORS

Mr G H Gosling is a principal in a firm providing and obtaining consulting services for the group. During the period, sums totalling £nil (year ended 31 March 2012: £5,000) 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. This practice also rented offices in the freehold investment property owned by the company. During the period ended 30 September 2013 rental income of £27,000 (year ended 31 March 2012: £18,000) was charged to this practice. At 30 September 2013, £10,800 (year ended 31 March 2012: £21,600) was included in trade debtors and received after the year end.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 1 April 2012 to 30 September 2013

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.9.13	31.3.12
	£	£
(Loss)/profit for the financial period	(717,566)	497,035
Other recognised gains and losses relating to the period (net)	-	(255,000)
Net (reduction)/addition to shareholders' funds	(717,566)	242,035
Opening shareholders' funds	<u>4,318,897</u>	<u>4,076,862</u>
Closing shareholders' funds	<u>3,601,331</u>	<u>4,318,897</u>

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.