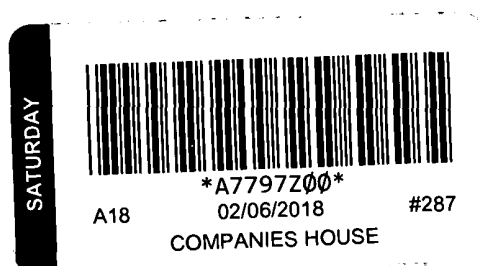


**REGISTERED NUMBER: 02869019 (England and Wales)**

**ANNUAL REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017  
FOR  
ASHFLAME PROPERTIES LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS  
for the year ended 30 September 2017**

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# **ASHFLAME PROPERTIES LIMITED**

## **COMPANY INFORMATION**

**for the year ended 30 September 2017**

**DIRECTORS:**

A C Gallagher  
G H Gosling

**REGISTERED OFFICE:**

Gallagher House  
Gallagher Way  
Gallagher Business Park  
Warwick  
Warwickshire  
CV34 6AF

**REGISTERED NUMBER:**

02869019 (England and Wales)

**INDEPENDENT AUDITORS:**

Deloitte LLP  
Statutory Auditor  
Birmingham  
United Kingdom

**REPORT OF THE DIRECTORS**  
**for the year ended 30 September 2017**

The directors present their annual report with the financial statements of the company for the year ended 30 September 2017.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of property and other investment and also certain property development activities.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2016 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 of its subsidiary undertakings and the directors have reviewed the basis on which this parent company support can be provided.

Ashflame Properties Limited has also received confirmation from a related company, Countywide Developments Limited that it will offer financial support to Ashflame Properties Limited, if required.

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

**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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 30 September 2017**

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

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's audit is unaware; and
- the 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 audit is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**AUDITORS**

Deloitte LLP were re-appointed as auditors during the year and have indicated their willingness to be re-appointed for another term. Appropriate arrangements have been put in place for them to be re-appointed as auditors in the absence of an Annual General Meeting.

The report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

**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

14 December 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ashflame Properties Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the balance sheet; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019) - continued**

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of our report**

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019) - continued**

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

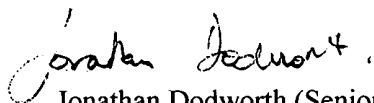
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



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

14 December 2017



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

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 30 September 2017**

	Notes	30.9.17 £	30.9.16 £
<b>TURNOVER</b>	4	607,182	633,386
Cost of sales		<u>(37,810)</u>	<u>(8,009)</u>
<b>GROSS PROFIT</b>		569,372	625,377
Administrative expenses		<u>(902,477)</u>	<u>(283,504)</u>
<b>OPERATING (LOSS)/PROFIT</b>		(333,105)	341,873
Gain arising on revaluation of investment property	6	-	38,000
(Provision)/release of provision against investments	6	<u>(1,156,688)</u>	<u>78,574</u>
		(1,489,793)	458,447
Income from fixed asset investments	7	425,671	63,710
Interest receivable and similar income	8	29,227	188,114
Interest payable and similar expenses	9	<u>(32,422)</u>	<u>(71,436)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(1,067,317)	638,835
Tax on (loss)/profit	10	<u>-</u>	<u>-</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(1,067,317)	638,835
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>(1,067,317)</u></u>	<u><u>638,835</u></u>

The notes form part of these financial statements

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****BALANCE SHEET**  
**30 September 2017**

	Notes	30.9.17 £	30.9.16 £
<b>FIXED ASSETS</b>			
Tangible assets	11	768,696	768,696
Investments	12	<u>1,777,664</u>	<u>2,392,225</u>
		<u>2,546,360</u>	<u>3,160,921</u>
<b>CURRENT ASSETS</b>			
Stocks	13	1,303,245	1,063,245
Debtors	14	615,646	3,251,874
Cash at bank		<u>465,495</u>	<u>124,056</u>
		2,384,386	4,439,175
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(781,366)</u>	<u>(2,383,399)</u>
<b>NET CURRENT ASSETS</b>		<u>1,603,020</u>	<u>2,055,776</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,149,380</u>	<u>5,216,697</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	16,250	16,250
Retained earnings	17	<u>4,133,130</u>	<u>5,200,447</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>4,149,380</u>	<u>5,216,697</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors on 14 December 2017 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 30 September 2017**

**1. STATUTORY INFORMATION**

Ashflame Properties Limited ("the company") acts as a property investment company.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The address of its registered office and the principal place of business is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The financial statements are presented in the pound sterling and the Company's functional and presentation currency is the pound sterling.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

**Cash flow statement**

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

**Preparation of consolidated financial statements**

The financial statements contain information about Ashflame Properties Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 399 of the Companies Act 2006 not to prepare consolidated financial statements.

**Related party disclosure exemption**

In accordance with section 33.1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', disclosure is not given in these financial statements of transactions entered into between two or more members of the group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**3. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover represents the rental income receivable, service charges and other recoveries from investment properties in the United Kingdom and the invoiced value of work done resulting from property development activities.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 ( 1 October 2014). 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 continued to be recognised on a straight-line basis from term commencement to the date of the first rent review.

Turnover also includes management fees from 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**

Investment properties are properties owned by the company which are held for long term rental income and capital appreciation. Investment property includes property that is being constructed, developed or re-developed for future use as an investment property. Investment property is initially recognised at cost, including related transaction costs. It is subsequently carried at each published balance sheet date at fair value on an open market basis as determined by internal professional qualified surveyors. Changes in fair value are included in the statement of comprehensive income.

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the company;
- there are no material conditions precedent which could prevent completion;
- the cost of the investment property can be measured reliably.

**Investments in subsidiaries and associates**

Investments in subsidiary and associate undertakings are recognised at cost less impairment.

**Stocks**

Work in progress is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. Cost initially includes the purchase of options over development land, development property and acquisition expenses. Directly attributable development costs are capitalised. Provision is made against stock where circumstances indicate that recovery is unlikely.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Current or deferred tax assets and liabilities are not discounted.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

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 are recognised in the financial statements. 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.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

**Foreign currencies**

Foreign currency transactions are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historic cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains or losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**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 of its subsidiary undertakings and the directors have reviewed the basis on which this parent company support can be provided.

Ashflame Properties Limited has also received confirmation from a related company, Countywide Developments Limited that it will offer financial support to Ashflame Properties Limited, if required.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 September 2017**

**3. ACCOUNTING POLICIES - continued**

**Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no key accounting judgements used within these accounts.

Key accounting estimates and assumptions:

**(i) Carrying value of land and work in progress (estimate)**

Work in progress, which includes land held for development, is valued at the lower of cost and estimated selling price less costs to complete and selling expenses. In order to assess the appropriateness of the carrying value of work in progress in the financial statements, the company is required to determine expected sales prices and estimated costs to complete.

**(ii) Valuation of investment properties (estimate)**

The valuation of the property portfolio is a critical part of the company's performance. The company carries the property portfolio at fair value in the balance sheet and carries out internal valuation on an annual basis.

The determination of the fair value of each property requires, to the extent applicable, the use of estimates and assumptions in relation to factors such as future lease income, lease incentives, current market rental yields, future development costs and the appropriate discount rate.

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017****4. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

	30.9.17	30.9.16
	£	£
Rental income	75,932	67,136
Management fees (see below)	<u>531,250</u>	<u>566,250</u>
	<u>607,182</u>	<u>633,386</u>

Included in turnover are management fees which were received from jointly controlled entities as follows:

	30.9.17	30.9.16
	£	£
G C Oldbury Limited (50% jointly controlled entity)	531,250	-
G C Bescot Limited (50% jointly controlled entity)	-	481,250
G R (Greenock) 2 Limited (50% jointly controlled entity)	<u>-</u>	<u>85,000</u>
	<u>531,250</u>	<u>566,250</u>

**5. OPERATING (LOSS)/PROFIT**

There were no direct staff costs for the year ended 30 September 2017 (2016: £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:

	30.9.17	30.9.16
	£	£
Countywide Developments Limited	390,000	-
J J Gallagher Limited	<u>-</u>	<u>277,848</u>
	<u>390,000</u>	<u>277,848</u>

Up until 1 July 2015, Mr A C Gallagher was paid by Gallagher UK Limited and subsequently he was paid by Countywide Developments Limited. Mr G H Gosling was paid by Gallagher UK Limited until 2 February 2017. Both of these companies are owned by the ultimate majority shareholder, Mr A C Gallagher and their emoluments are disclosed in the financial statements of those companies. As disclosed above, the company is subject to a management charge by J J Gallagher Limited and Countywide Developments 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 year ended 30 September 2017**

**5. OPERATING (LOSS)/PROFIT - continued**

The operating loss (2016 - operating profit) is stated after charging:

	30.9.17	30.9.16
	£	£
Auditors' remuneration	<u>4,100</u>	<u>4,000</u>

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

**6. (PROVISION)/RELEASE OF PROVISION AGAINST INVESTMENTS**

	30.9.17	30.9.16
	£	£
Write off of investment (see note 12)	(614,561)	-
Release of provision against investment	-	78,574
Write off of investment loan	<u>(542,127)</u>	<u>-</u>
	<u>(1,156,688)</u>	<u>78,574</u>

**7. INCOME FROM FIXED ASSET INVESTMENTS**

	30.9.17	30.9.16
	£	£
16 - 18 Marshalsea Road Limited	385,000	-
15 - 17 Alexandra Road (Two) Limited	-	9,482
Dividends received from unlisted investments	<u>40,671</u>	<u>54,228</u>
	<u>425,671</u>	<u>63,710</u>

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.9.17	30.9.16
	£	£
Deposit account interest	1,823	390
Other interest receivable	1,375	117,290
Interest receivable on loans to jointly controlled entities	<u>26,029</u>	<u>70,434</u>
	<u>29,227</u>	<u>188,114</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.9.17	30.9.16
	£	£
Interest payable on loans from group undertakings	<u>32,422</u>	<u>71,436</u>
	<u>32,422</u>	<u>71,436</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**10. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 September 2017 nor for the year ended 30 September 2016.

The corporation tax credit differs from the standard UK corporation tax rate of 19.5% (2016: 20%) applied to the profit for the year. The differences are:

	30.9.17 £	30.9.16 £
(Loss)/profit on ordinary activities at the standard rate of 19.5% (2016: 20%)	(208,112)	120,167
Expenses not deductible for tax	122,695	19,071
Income not taxable	-	(15,715)
Dividends not subject to tax	(83,000)	(12,742)
Tax losses utilised	168,417	(110,781)
Prior year adjustment	-	-
	<u>-</u>	<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 11. At 30 September 2017, the company has capital and trading losses of £4.1 million at 17% (2016: £3.9 million at 17%) 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.

The Finance Act 2013 reduced the main rate of corporation tax to 20% from 1 April 2015. The Finance (No 2) Act 2015, which was substantively enacted on 26 October 2015, included provisions which reduced the main rate of corporation tax to 19% from 1 April 2017 and the Finance Act 2016, which was substantively enacted on 15 September 2016, included provisions which reduced the main rate of corporation tax to 17% from 1 April 2020. Accordingly, the current year tax charge has been provided for at a rate of 19.5% and deferred tax assets and liabilities have been provided for at rates between 17% and 19% depending on the expected date that the deferred tax assets or liabilities are expected to unwind.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**11. TANGIBLE FIXED ASSETS**

	Freehold Investment Property £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 October 2016 and 30 September 2017	<u>738,000</u>	<u>53,392</u>	<u>791,392</u>
<b>DEPRECIATION</b>			
At 1 October 2016 and 30 September 2017	<u>-</u>	<u>22,696</u>	<u>22,696</u>
<b>NET BOOK VALUE</b>			
At 30 September 2017	<u>738,000</u>	<u>30,696</u>	<u>768,696</u>
At 30 September 2016	<u>738,000</u>	<u>30,696</u>	<u>768,696</u>

Investment properties are held at fair value as at 30 September 2017 based on internal valuations performed by professionally qualified surveyors. The valuation of property held for sale at 30 September 2017 was £738,000 (2016: £738,000).

The historic cost of the freehold investment property at 30 September 2017 was £1,027,060 (2016: £1,027,060).

**12. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Interest in associate £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 October 2016	7,651	266,338	2,118,236	2,392,225
Impairments	<u>-</u>	<u>-</u>	<u>(614,561)</u>	<u>(614,561)</u>
At 30 September 2017	<u>7,651</u>	<u>266,338</u>	<u>1,503,675</u>	<u>1,777,664</u>
<b>NET BOOK VALUE</b>				
At 30 September 2017	<u>7,651</u>	<u>266,338</u>	<u>1,503,675</u>	<u>1,777,664</u>
At 30 September 2016	<u>7,651</u>	<u>266,338</u>	<u>2,118,236</u>	<u>2,392,225</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**12. FIXED ASSET INVESTMENTS - continued**

**a) Investments in group undertakings**

The company held shares in the following property development subsidiaries at 30 September 2017 both of which are incorporated in England and Wales:

	Percentage of Ordinary Share Capital
16 - 18 Marshalsea Road Limited	75% directly held
Gallagher Ventures Limited	100% directly held

The company also has a 100% interest in TLPD Limited and during the year the company acquired a 75% interest in Spurstowe Terrace Limited. Both companies are incorporated in England and Wales and are dormant companies.

The registered address for all of the above subsidiaries is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF.

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

	Turnover	Profit/ (loss) before taxation	Taxation	Profit/ (loss) after taxation
	£	£	£	£
<b>Year ended 30 September 2017</b>				
16 - 18 Marshalsea Road Limited	1,767,500	99,386	(19,380)	80,006
Gallagher Ventures Limited	90,832	(621,793)	-	(621,793)

	Turnover	Profit/ (loss) before taxation	Taxation	Profit/ (loss) after taxation
	£	£	£	£
<b>Year ended 30 September 2016</b>				
16 - 18 Marshalsea Road Limited	7,572,500	687,006	(137,401)	549,605
Gallagher Ventures Limited	-	(158,614)	-	(158,614)

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
	£	£	£	£
<b>Year ended 30 September 2017</b>				
16 - 18 Marshalsea Road Limited	-	50,495	(19,380)	-
Gallagher Ventures Limited	-	2,391,212	(266,515)	(2,897,604)

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
	£	£	£	£
<b>Year ended 30 September 2016</b>				
16 - 18 Marshalsea Road Limited	-	1,934,825	(1,391,413)	-
Gallagher Ventures Limited	-	2,393,458	(277,161)	(2,267,411)

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**12. FIXED ASSET INVESTMENTS - continued**

**b) Investments in jointly controlled entities**

The company also holds a 50% share in the following jointly controlled entities:

	Percentage of Ordinary Share Capital
G C Bescot Limited	50% directly held
G C Cannock Limited	50% directly held
G C Oldbury Limited	50% directly held
Willenhall Regeneration Company Limited	50% directly held

All of the above jointly controlled entities are engaged in property development activities and are incorporated in England and Wales. The registered address for all of the above jointly controlled entities (except Willenhall Regeneration Co Limited) is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF. The registered address for Willenhall Regeneration Co Limited is Dransfield House, 2 Fox Valley Way, Fox Valley, Sheffield S36 2AB.

During the previous year, the company acquired the B ordinary share in Gallagher Bathgate Limited from J J Gallagher Limited, a company owned by Mr A C Gallagher for £250,000. This investment is a jointly controlled asset giving rights to the commercial development land activity in Gallagher Bathgate Limited. The registered address for Gallagher Bathgate Limited is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF.

During the year an application to strike off the Company's 20% interest associated company, Solihull Property Investment Limited, was submitted to Companies House.

The results for the Company's principal jointly controlled entities are as follows:

	Turnover	Profit/(loss) before taxation	Taxation	Profit/(loss) after taxation
<b>Year ended 30 September 2017</b>	£	£	£	£
G C Bescot Limited	-	(6,893)	-	(6,893)
G C Oldbury Limited	4,250,000	9,162	(1,786)	7,376

	Turnover	Profit/(loss) before taxation	Taxation	Profit/(loss) after taxation
<b>Year ended 30 September 2016</b>	£	£	£	£
G C Bescot Limited	3,850,000	(228,313)	100	(228,213)
G C Oldbury Limited	-	784,811	(85,507)	699,304

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
<b>Year ended 30 September 2017</b>	£	£	£	£
G C Bescot Limited	-	2,797	(755,785)	(2,166,879)
G C Oldbury Limited	-	2,216,125	(1,173,260)	-

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**12. FIXED ASSET INVESTMENTS - continued**

	Fixed assets	Current Assets	Current Liabilities	Liabilities due after one year
Year ended 30 September 2016	£	£	£	£
G C Bescot Limited	-	4,131	(757,105)	(2,160,000)
G C Oldbury Limited	-	4,099,353	(3,057,960)	-

**c) Unlisted Investments**

Included in unlisted investments at 30 September 2017 was a net value of £462,919 (2016: £462,919) which represented a 23.6% holding of the ordinary share capital of Newater Investments Limited. Newater Investments Limited reported a profit after taxation of £131,025 (2015: £15,220) for the year ended 29 September 2016 and net assets of £2,093,449 (2015: £1,962,424) at that date. During the year ended 30 September 2017, the company released £Nil (2016: £78,574) of its provision against this investment. This investment is not treated as an associate as the company does not exercise significant influence over Newater Investments Limited.

Also included in unlisted investments in the previous year is a 50% interest in Windrush Capital Limited and a \$1 million (£612,061) loan to Windrush Capital Limited which has been treated as Quasi Equity in these financial statements. The investment has been fully written off at 30 September 2017 and the loan has been fully provided against, due to the sale by Windrush Capital Limited of its 33.33% investment in an overseas company. Windrush Capital Limited has not been treated as an associate of Ashflame Properties Limited because it has no control or influence over the actions of Windrush Capital Limited.

**13. STOCKS**

	30.9.17	30.9.16
	£	£
Work in progress	<u>1,303,245</u>	<u>1,063,245</u>

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.17	30.9.16
	£	£
Trade debtors	-	345
Amounts owed by group undertakings	-	906,892
Other debtors	605,231	1,544,637
Amounts owed by jointly controlled entities	-	800,000
VAT	<u>10,415</u>	<u>-</u>
	<u>615,646</u>	<u>3,251,874</u>

Included in other debtors is £Nil (2016: £1,542,127) which relates to a \$2 million loan which attracted interest at 8% per annum and was unsecured.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 September 2017**

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.17	30.9.16
	£	£
Trade creditors	4,092	730
Amounts owed to group undertakings	182,549	7,576
Amounts owed to related undertakings	-	2,105,827
VAT	-	3,090
Other creditors	146,109	146,109
Amounts due to jointly controlled entities	37,479	37,478
Accruals and deferred income	<u>411,137</u>	<u>82,589</u>
	<u>781,366</u>	<u>2,383,399</u>

**16. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.17	30.9.16
			£	£
16,250	Ordinary	£1	<u>16,250</u>	<u>16,250</u>

**17. RESERVES**

	Retained earnings
	£
At 1 October 2016	5,200,447
Deficit for the year	<u>(1,067,317)</u>
At 30 September 2017	<u>4,133,130</u>

**ASHFLAME PROPERTIES LIMITED (REGISTERED NUMBER: 02869019)****NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 30 September 2017****18. RELATED PARTY DISCLOSURES****GROUP COMPANIES**

Ashflame Properties Limited advanced loans to group undertakings and the following balances were receivable at 30 September:

	30.9.17	30.9.16
	£	£
16 - 18 Marshalsea Road Limited	-	906,892

The following balances were payable at 30 September :

	30.9.17	30.9.16
	£	£
Gallagher Ventures Limited	7,500	7,500
Spurstowe Terrace Limited	75	75
TLPD Limited	1	1
	<u>7,576</u>	<u>7,576</u>

**RELATED COMPANIES**

Ashflame Properties Limited received loans from related undertakings (controlled by Mr A C Gallagher) and the following balances were payable 30 September:

	30.9.17	30.9.16
	£	£
Countywide Developments Limited	<u>174,973</u>	<u>2,105,827</u>

Interest was payable at 3.5% above the Bank of England base rate on the Countywide loan for the current and prior year. Interest for the year ended 30 September 2017 was £32,422 (2016: £71,436).

**MANAGEMENT FEES**

Included in administrative expenses to 30 September 2017 are management fees payable to related companies referred to in note 5.

**JOINTLY CONTROLLED ENTITIES**

Ashflame Properties Limited advanced loans to jointly controlled entities and the following balances were receivable at 30 September:

	30.9.17	30.9.16
	£	£
Clacton Property Investments Limited	2,970,251	2,970,251
G C Bescot Limited	451,953	448,953
G C Cannock Limited	499	499
G C Oldbury Limited	104,062	904,062
Greenock Retail Limited	778,196	773,201
Richminster Properties Limited	2,237,169	2,236,169
Wick Property Investments Limited	2,393,041	2,393,041
Less provisions against recoverability of above loans	<u>(8,935,173)</u>	<u>(8,926,176)</u>
	<u>-</u>	<u>800,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2017**

**18. RELATED PARTY DISCLOSURES - continued**

At 30 September 2017, the amounts owed by jointly controlled entities of £Nil (2016: £800,000) was owed by G C Oldbury Limited.

The following balances were payable at 30 September:

	30.9.17	30.9.16
	£	£
Islandview Properties Limited	<u>37,478</u>	<u>37,478</u>

The registered address for all of the above jointly controlled entities (except Wick Property Investments Limited) is Gallagher House, Gallagher Way, Gallagher Business Park, Warwick CV34 6AF. The registered address for Wick Property Investments Limited is Philip Harris House, 1a Spur Road, Orpington, Kent BR6 0PH.

**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 £328,600 (2016: £107,500) were charged by this practice in the normal course of business. This practice also rented offices in the freehold investment property owned by the company until 30 April 2017. During the year ended 30 September 2017 rental income of £10,479 (2016: £18,000) was charged to this practice. At 30 September 2017, £Nil (2016: £Nil) was included in trade debtors and received after the 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.