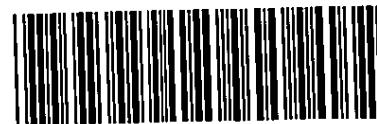


REGISTERED NUMBER: 5320583 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
FOR
DE FACTO 1187 LIMITED**

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for the year ended 31 March 2009**

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DE FACTO 1187 LIMITED

COMPANY INFORMATION
for the year ended 31 March 2009

DIRECTORS: A C Gallagher
G H Gosling

SECRETARY: S A Burnett

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

REGISTERED NUMBER: 5320583 (England and Wales)

**INDEPENDENT
AUDITORS:** PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

**REPORT OF THE DIRECTORS
for the year ended 31 March 2009**

The directors present their report with the audited financial statements of the company for the year ended 31 March 2009

This report has been prepared in accordance with the special provisions of Companies Act 1985 relating to small companies

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of holding investments

REVIEW OF BUSINESS

The directors have considered their responsibilities set out below and have prepared the accounts on a break up basis as the going concern basis is no longer considered appropriate. The company's liabilities exceed its assets and the company does not have the funding available to meet these liabilities. As a consequence the directors have taken the decision to commence a creditors voluntary liquidation process.

DIVIDENDS

No dividends were paid in the year ended 31 March 2009 (2008: £nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report

A C Gallagher
G H Gosling

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT
AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which 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 1985. 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 2009**

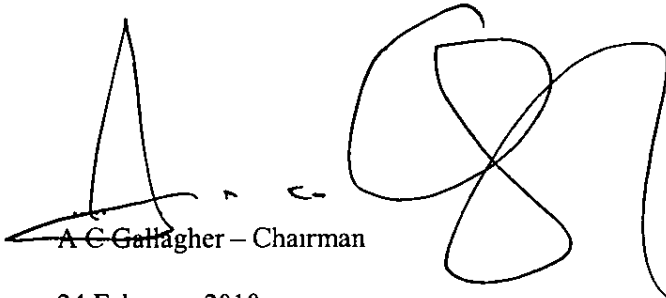
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information 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

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

ON BEHALF OF THE BOARD:



A.C. Gallagher – Chairman

24 February 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DE FACTO 1187 LIMITED

We have audited the financial statements of De Facto 1187 Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Company Information and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

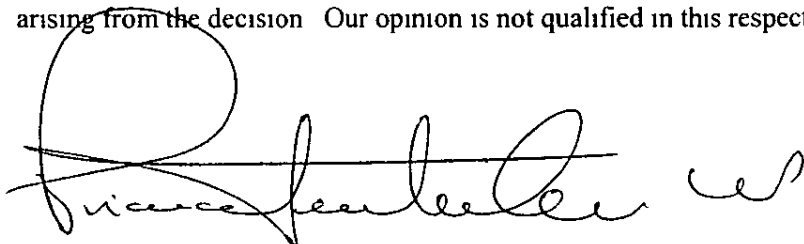
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DE FACTO 1187 LIMITED
(Continued)

Emphasis of matter - basis of preparation:

We draw your attention to note 1 which explains that following the year end the directors have decided that the company is unable to continue trading as it does not have the funding available to meet its liabilities. Accordingly the going concern basis of accounting is no longer appropriate. Adjustments have been made in these financial statements where necessary to reduce assets to their realisable values and to provide for liabilities arising from the decision. Our opinion is not qualified in this respect.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', followed by a stylized flourish or initial.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands
26 February 2010

DE FACTO 1187 LIMITED (REGISTERED NUMBER: 5320583)

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2009

	Notes	31 3 09 £	31 3 08 £
TURNOVER		-	-
Administrative expenses		<u>(550)</u>	<u>(875)</u>
OPERATING LOSS	3	(550)	(875)
Interest receivable and similar income		<u>2,115</u>	<u>3,081</u>
		1,565	2,206
Interest payable and similar charges	4	<u>(591,333)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(589,768)	2,206
Tax on (loss)/profit on ordinary activities	5	<u>(2,695,684)</u>	<u>(662)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	9	<u><u>(3,285,452)</u></u>	<u><u>1,544</u></u>

CONTINUING OPERATIONS

All of the company's activities relate to continuing operations

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis

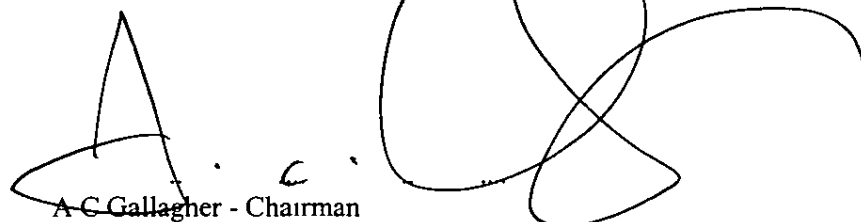
The notes form part of these financial statements

DE FACTO 1187 LIMITED (REGISTERED NUMBER: 5320583)

BALANCE SHEET
31 March 2009

	Notes	31 3 09 £	31 3 08 £
CURRENT ASSETS			
Debtors	6	96	-
Cash at bank		<u>59,250</u>	<u>57,135</u>
		59,346	57,135
CREDITORS			
Amounts falling due within one year	7	<u>(3,341,645)</u>	<u>(53,982)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(3,282,299)</u>	<u>3,153</u>
NET (LIABILITIES)/ASSETS		<u>(3,282,299)</u>	<u>3,153</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	<u>(3,282,301)</u>	<u>3,151</u>
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS	11	<u>(3,282,299)</u>	<u>3,153</u>

The financial statements were approved by the Board of Directors on 24 February 2010 and were signed on its behalf by


A.C. Gallagher - Chairman

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards in the UK and the Companies Act 1985. The principal accounting policies are set out below.

Basis of preparation

These accounts have been prepared on a break up basis as the directors consider that the going concern basis is no longer appropriate. As disclosed in note 5 there is uncertainty surrounding the outcome of the use of capital losses by this company. If the company is required to pay the corporation tax due of £2,695,246 then the company will be unable to meet this liability and therefore the accounts have not been prepared on a going concern basis. Under a break up basis these accounts include assets at their estimated realisable value and all liabilities are shown as due within one year. Interest on the corporation tax has been included as accrued to 31 March 2009. Further interest will accrue after this date, however this has not been recognised in these financial statements.

Cash flow statement

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

2 STAFF COSTS

There were no staff costs for the year ended 31 March 2009 nor for the year ended 31 March 2008.

The average monthly number of employees during the year was as follows:

	31 3 09 Number	31 3 08 Number
Directors	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging:

	31 3 09 £	31 3 08 £
Auditors' remuneration	<u>550</u>	<u>550</u>
Directors' emoluments	<u>-</u>	<u>-</u>

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

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 09 £	31 3 08 £
Interest on Corporation Tax	<u>591,333</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2009**

5 TAXATION

Analysis of the tax charge

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

	31 3 09	31 3 08
	£	£
Current tax		
UK corporation tax	2,695,246	-
Group relief	<u>438</u>	<u>662</u>
Tax on (loss)/profit on ordinary activities	<u>2,695,684</u>	<u>662</u>

The current corporation tax charge differs from the standard UK corporation tax rate of 28% (2008 30%) applied to the (loss)/profit for the year. The differences are

	31 3 09	31 3 08
	£	£
(Loss)/profit on ordinary activities at the standard rate of 28% (2008 30%)	(165,135)	662
Losses carried forward	165,573	-
Prior year adjustment	<u>2,695,246</u>	<u>-</u>
	<u>2,695,684</u>	<u>662</u>

Capital losses in the company were claimed in the year ended 31 March 2006 against capital gains arising in group companies and elected to be taxed in this company. The eligibility of utilising these has been successfully challenged by HMRC in a similar case indicating that a liability is likely to arise. As a consequence the directors have taken the decision to commence a creditors voluntary liquidation of the company.

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 3 08
	£	£
VAT recoverable	<u>96</u>	<u>-</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 3 08
	£	£
Amounts owed to group undertakings	54,491	53,407
Corporation tax	2,695,246	-
Accruals and deferred income	<u>591,908</u>	<u>575</u>
	<u>3,341,645</u>	<u>53,982</u>

The amount owed to group undertakings is owed to Ashflame Investments Limited, its ultimate parent undertaking and is interest free.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2009

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	31 3 09 £ <u>1,000</u>	31 3 08 £ <u>1,000</u>
1,000	Ordinary			

Allotted, issued and fully paid Number	Class	Nominal value £1	31 3 09 £ <u>2</u>	31 3 08 £ <u>2</u>
2	Ordinary			

9 RESERVES

	Profit and loss account £
At 1 April 2008	3,151
Loss for the financial year	<u>(3,285,452)</u>
At 31 March 2009	<u>(3,282,301)</u>

10 RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS8 not to disclose transactions with other group companies, as it is a wholly owned subsidiary within a consolidated group

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	31 3 09 £ <u>(3,285,452)</u>	31 3 08 £ <u>1,544</u>
(Loss)/profit for the financial year		
Net (reduction)/addition to shareholders' funds	(3,285,452)	1,544
Opening shareholders' funds	<u>3,153</u>	<u>1,609</u>
Closing shareholders' (deficit)/funds	<u>(3,282,299)</u>	<u>3,153</u>

12 CONTROLLING PARTY

De Facto 1187 Limited is a wholly owned subsidiary of Ashflame Property Investments Limited (incorporated in England and Wales), its parent undertaking. Ashflame Property Investments Limited is a wholly owned subsidiary of Ashflame Investments Limited (incorporated in England and Wales) its ultimate parent undertaking, which prepares consolidated financial statements for the group.

The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the majority of the issued share capital of Ashflame Investments Limited.