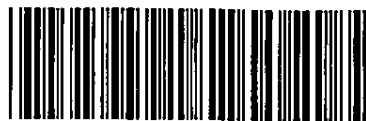


REGISTERED NUMBER: 5438809 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
FOR
HULL PROPERTY INVESTMENTS LIMITED**

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for the year ended 31 March 2009

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HULL PROPERTY INVESTMENTS 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
Stratford Road
Hockley Heath
Solihull
West Midlands
B94 6NW

REGISTERED NUMBER: 5438809 (England and Wales)

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

HULL PROPERTY INVESTMENTS LIMITED (REGISTERED NUMBER: 5438809)

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 property investment

REVIEW OF BUSINESS

The company holds a 50% investment in Hull Retail Limited and Worthing Retail LLP which controls a retail park

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**

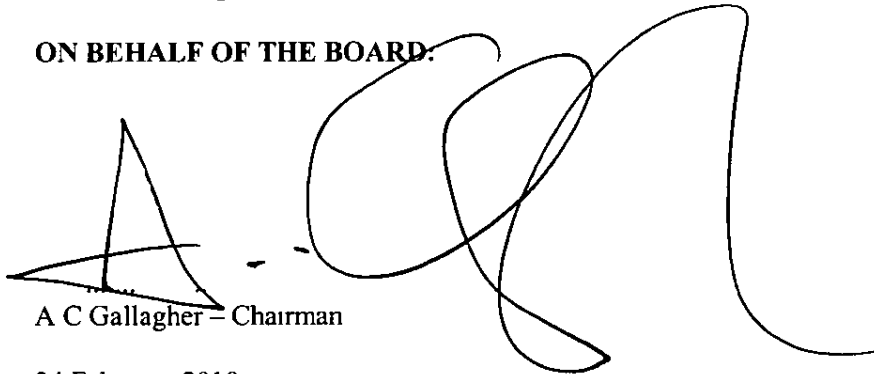
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 handwritten signature in black ink, consisting of a stylized 'A' followed by a large, flowing cursive 'G'.

A C Gallagher – Chairman

24 February 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HULL PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Hull Property Investments 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:

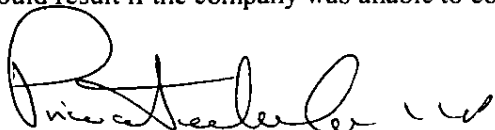
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with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

The notes form part of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HULL PROPERTY INVESTMENTS LIMITED (continued)

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on financial support from its parent company and the availability of this support from the parent company relies on the overall group funding provided by the parent company including any impact from the renewal of banking facilities in certain fellow subsidiary undertakings. These facilities are currently under negotiation with the banks. While the outcome of these negotiations remains uncertain, the directors are confident that the facilities will be renewed on a basis that is acceptable to the group. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



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

The notes form part of these financial statements

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2009

	Notes	31 3 09 £	31 3 08 £
TURNOVER		-	-
Administrative expenses		<u>(1,074)</u>	<u>(1,690)</u>
OPERATING LOSS	3	(1,074)	(1,690)
Share of profit of Limited Liability Partnership	5	<u>33,137</u>	<u>15,691</u>
		32,063	14,001
Interest receivable and similar income		<u>-</u>	<u>2</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		32,063	14,003
Tax on profit on ordinary activities	4	<u>(8,978)</u>	<u>1,069</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	10	<u>23,085</u>	<u>15,072</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 profits for the current year or 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

HULL PROPERTY INVESTMENTS LIMITED (REGISTERED NUMBER: 5438809)

BALANCE SHEET
31 March 2009

	Notes	31 3 09 £	31 3 08 £
FIXED ASSETS			
Investments	5	63,888	30,751
CURRENT ASSETS			
Debtors	6	873,368	918,511
CREDITORS			
Amounts falling due within one year	7	<u>(868,765)</u>	<u>(909,746)</u>
NET CURRENT ASSETS		<u>4,603</u>	<u>8,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		68,491	39,516
PROVISIONS FOR LIABILITIES	8	<u>(24,778)</u>	<u>(18,888)</u>
NET ASSETS		<u>43,713</u>	<u>20,628</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	<u>43,711</u>	<u>20,626</u>
TOTAL SHAREHOLDERS' FUNDS	11	<u>43,713</u>	<u>20,628</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 under the historical cost convention in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been applied consistently, is set out below.

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

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.

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.

Going concern

The financial statements have been prepared on a going concern basis as the company has received confirmation of financial support from its parent company, Ashflame Properties Limited. The directors have reviewed the position of those companies within the Ashflame Properties Group ('the group') which require support from the parent company and have concluded that it is appropriate to prepare the financial statements of those companies, and hence this company, on a going concern basis.

In evaluating the Ashflame Properties Limited group overall and its ability to provide the support as a going concern, the directors have considered the cash flows for the Ashflame group arising from operations, investment and financing activities. In the ordinary course of business there are approximately £40m of loans which are due to be refinanced across the Ashflame group over the next 12 months from the date of these accounts. In general, the market in which the Ashflame group is operating is currently subject to considerable change. The market has seen the costs associated with raising finance increasing and in some instances the availability of finance has become constrained. However, the directors are confident, based on information available to them, that the loans including the company's facility will be renewed on acceptable terms to the Ashflame group. While the directors recognise the material uncertainties which the companies are required to manage, the directors believe that the position of the Ashflame group is strong and the directors will be able to manage the position satisfactorily.

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

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>1,075</u>	<u>1,075</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

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

4 TAXATION

Analysis of the tax charge/(credit)

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

	31 3 09	31 3 08
	£	£
Current tax		
Group relief	3,088	(5,347)
Group relief prior year	<u>-</u>	<u>(14,610)</u>
Total current tax	3,088	(19,957)
Deferred tax		
- Origination and reversal of timing differences	5,890	9,548
- Prior year adjustment	-	10,689
- Change in tax rate from 30% to 28%	<u>-</u>	<u>(1,349)</u>
Total deferred tax	<u>5,890</u>	<u>18,888</u>
Tax on profit on ordinary activities	<u>8,978</u>	<u>(1,069)</u>

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

	31 3 09	31 3 08
	£	£
Profit on ordinary activities at the standard rate of 28% (2008 30%)	8,978	4,201
Capital allowances in excess of depreciation	(5,890)	(10,518)
Partnership losses not recognised in the accounts	-	970
Group relief prior year	<u>-</u>	<u>(14,610)</u>
	<u>3,088</u>	<u>(19,957)</u>

The standard rate of UK corporation tax changed to 28% with effect from 1 April 2008 and will apply to future tax charges

HULL PROPERTY INVESTMENTS LIMITED (REGISTERED NUMBER: 5438809)

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

5 FIXED ASSET INVESTMENTS

	Interest in Limited Liability Partnership £	Shares in joint ventures £	Totals £
COST			
At 1 April 2008	30,750	1	30,751
Share of profit in LLP	<u>33,137</u>	<u>-</u>	<u>33,137</u>
At 31 March 2009	<u>63,887</u>	<u>1</u>	<u>63,888</u>
NET BOOK VALUE			
At 31 March 2009	<u>63,887</u>	<u>1</u>	<u>63,888</u>
At 31 March 2008	<u>30,750</u>	<u>1</u>	<u>30,751</u>

The investment in the LLP reflects the company's share of the trading profits from its 50% interest in the Worthing Retail LLP

The investment in joint ventures, represents 50% of the ordinary shares in Hull Retail Limited, a property investment company, incorporated in England and Wales

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09 £	31 3 08 £
Amounts due from Worthing Retail LLP	873,207	918,511
VAT recoverable	<u>161</u>	<u>-</u>
	<u>873,368</u>	<u>918,511</u>

The loan to the LLP is unsecured and interest free. Worthing Retail LLP has reported net liabilities in its audited accounts at 31 December 2008 as a result of a deficit on the revaluation reserve. However the directors consider this reflects a temporary diminution in value of its investment property and that in the longer term net assets will be restored. Hence the amount due to the company is expected to be repaid.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09 £	31 3 08 £
Trade creditors	1,236	-
Amounts owed to group undertakings	866,452	908,669
Accruals and deferred income	<u>1,077</u>	<u>1,077</u>
	<u>868,765</u>	<u>909,746</u>

HULL PROPERTY INVESTMENTS LIMITED (REGISTERED NUMBER: 5438809)

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

8 PROVISIONS FOR LIABILITIES

	31 3 09 £	31 3 08 £
Deferred tax:		
Accelerated capital allowances	<u>24,778</u>	<u>18,888</u>
		Deferred tax £
Balance at 1 April 2008		18,888
Charged to the profit and loss account		<u>5,890</u>
Balance at 31 March 2009		<u>24,778</u>

9 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 3 09 £	31 3 08 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid				
Number	Class	Nominal value	31 3 09 £	31 3 08 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

10 RESERVES

	Profit and loss account £
At 1 April 2008	20,626
Profit for the financial year	<u>23,085</u>
At 31 March 2009	<u>43,711</u>

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

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 3 09	31 3 08
	£	£
Profit for the financial year	<u>23,085</u>	<u>15,072</u>
Net addition to shareholders' funds	23,085	15,072
Opening shareholders' funds	<u>20,628</u>	<u>5,556</u>
Closing shareholders' funds	<u>43,713</u>	<u>20,628</u>

12 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

13 CONTROLLING PARTY

Hull Property Investments Limited is a wholly owned subsidiary of Ashflame Properties 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 issued share capital of the ultimate parent undertaking