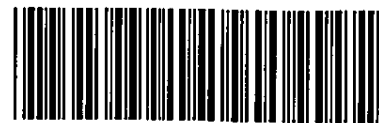


REGISTERED NUMBER: 5489807 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009
FOR
ASHFLAME LINWOOD LIMITED**

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for the year ended 31 March 2009

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ASHFLAME LINWOOD 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: 5489807 (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 property investment

REVIEW OF BUSINESS

The company owns a retail park. At 31 March 2009 the retail park was almost fully let and the investment was trading profitably. Both the results for the year, and the year end financial position were satisfactory. The directors consider future prospects to be satisfactory.

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to changes in the UK property investment market, movements in property rental yield and changes to UK interest rates.

Given the nature of the business as disclosed in these financial statements, where maximising rental income and the capital values of its investment property represents the key objectives, the company's directors are of the opinion that analysis using additional KPIs is not necessary for understanding the performance or position of the business.

DIVIDENDS

No dividends were paid in the year ended 31 March 2009 (2008: £75,000)

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.

REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2009

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

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.

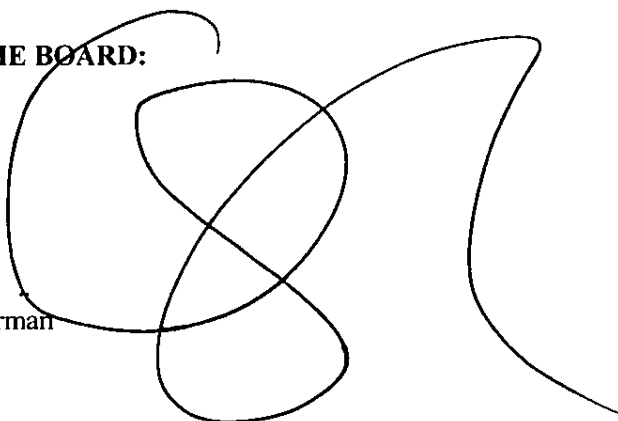
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 ASHFLAME LINWOOD LIMITED

We have audited the financial statements of Ashflame Linwood Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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

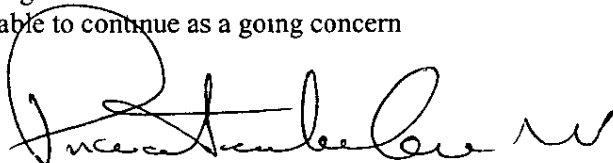
In our opinion:

- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHFLAME LINWOOD 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 the renewal of banking facilities which are currently under negotiation with the bank. 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 company. 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

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2009

	Notes	31 3 09 £	31 3 08 £
TURNOVER		1,846,256	1,720,721
Cost of sales		<u>(217,156)</u>	<u>(224,933)</u>
GROSS PROFIT		1,629,100	1,495,788
Administrative expenses		<u>(138,897)</u>	<u>(22,182)</u>
OPERATING PROFIT	3	1,490,203	1,473,606
Interest receivable and similar income	4	<u>21,652</u>	<u>20,436</u>
		1,511,855	1,494,042
Interest payable and similar charges	5	<u>(1,182,527)</u>	<u>(1,211,660)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		329,328	282,382
Tax on profit on ordinary activities	6	<u>(299,688)</u>	<u>(110,880)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	14	<u>29,640</u>	<u>171,502</u>

CONTINUING OPERATIONS

All of the company's activities relate to continuing operations

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

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2009**

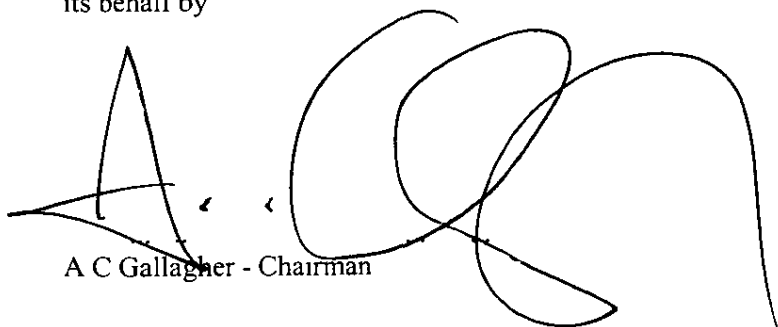
	31 3 09 £	31 3 08 £
PROFIT FOR THE FINANCIAL YEAR	29,640	171,502
Unrealised negative revaluation of the investment property	<u>(5,189,448)</u>	<u>(1,780,051)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>(5,159,808)</u></u>	<u><u>(1,608,549)</u></u>

The notes form part of these financial statements

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)**BALANCE SHEET**
31 March 2009

	Notes	31 3 09 £	31 3 08 £
FIXED ASSETS			
Tangible assets	8	23,970,000	26,570,000
CURRENT ASSETS			
Debtors	9	1,447,692	441,618
Cash at bank		<u>1,185,114</u>	<u>493,974</u>
		2,632,806	935,592
CREDITORS			
Amounts falling due within one year	10	<u>(14,805,261)</u>	<u>(13,422,371)</u>
NET CURRENT LIABILITIES		<u>(12,172,455)</u>	<u>(12,486,779)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,797,545	14,083,221
CREDITORS			
Amounts falling due after more than one year	11	<u>(18,474,132)</u>	<u>(15,600,000)</u>
NET LIABILITIES		<u><u>(6,676,587)</u></u>	<u><u>(1,516,779)</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Revaluation reserve	14	(6,969,499)	(1,780,051)
Profit and loss account	14	<u>292,910</u>	<u>263,270</u>
TOTAL SHAREHOLDERS' DEFICIT	16	<u><u>(6,676,587)</u></u>	<u><u>(1,516,779)</u></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

These accounts are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out 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.

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.

Cost of sales

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

Investment properties

Until investment properties are complete they are included in the accounts at cost. Once completed, open market valuations are performed on a 3-year cycle subject to an annual impairment review. Valuations take account of comparable market prices for factors including the nature of tenants, lease terms, locations and consents in place for use of the property.

The Companies Act 1985 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 accounts 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.

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.

Amortisation of loan issue costs

Costs incurred in respect of obtaining loan finance are included in other debtors and the costs are amortised over the period of repayment of the loan in proportion to the outstanding loan.

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

1 ACCOUNTING POLICIES (continued)

Going concern

The directors have reviewed the funding position of the company and concluded that it is appropriate to prepare the financial statements on a going concern basis

On 1 April 2009, 80% of the company's share capital was acquired by Countywide Developments Limited, a company controlled by Mr A C Gallagher and amounts owed to the Ashflame Investments Limited group repaid by the acquirer

The company has received confirmation that Countywide Developments Limited will not call for repayment of its inter company loan until the company has sufficient funds to repay it

The company's loan facility is due for renewal in November 2010 and the company has commenced renegotiating the renewal of this facility. In general, the market in which the company is operating is currently subject to considerable change. The market has seen 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 loan will be renewed on acceptable terms to the company. While this represents a material uncertainty which the company is required to manage, the directors believe the position of the company is strong and they will be able to manage the position satisfactorily.

2 STAFF COSTS

There were no direct staff costs for the year ended 31 March 2009 (2008: none). However, £137,198 (2008: £20,577) was payable to J J Gallagher Limited, a related company, for the service of individuals who had performed work on behalf of Ashflame Linwood Limited.

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

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

3 OPERATING PROFIT

The operating profit is stated after charging:

	31 3 09	31 3 08
	£	£
Auditors' remuneration	<u>1,700</u>	<u>1,550</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.

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

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	31 3 09	31 3 08
	£	£
Deposit account interest	<u>21,652</u>	<u>20,436</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 3 09	31 3 08
	£	£
Bank interest	1,012,325	980,204
Interest payable on loans from group undertakings	160,893	229,419
Amortisation of loan issue costs	<u>9,309</u>	<u>2,037</u>
	<u>1,182,527</u>	<u>1,211,660</u>

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	31 3 09	31 3 08
	£	£
Current tax		
Group relief	417,257	278,596
Group relief prior year	<u>163,532</u>	<u>218,948</u>
Total current tax	580,789	497,544
Deferred tax		
- Origination and reversal of timing differences	(325,045)	(193,835)
- Prior year adjustment	43,944	(218,948)
- Change in tax rate from 30% to 28%	<u>-</u>	<u>26,119</u>
Total deferred tax	(281,101)	(386,664)
Tax on profit on ordinary activities	<u>299,688</u>	<u>110,880</u>

The current corporation tax charge 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%)	92,212	84,715
Expenses not deductible for tax purposes	-	46
Capital allowances in excess of depreciation	-	(8,334)
Creation of tax losses	325,045	202,169
Prior year adjustment	<u>163,532</u>	<u>218,948</u>
	<u>580,789</u>	<u>497,544</u>

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

6 TAXATION (continued)

A capital loss of £263,000 would become available in the event of a sale of the investment properties at their book value (2008 Capital gain of £237,000) No deferred tax provision has been made as there is no commitment to sell the properties

7 DIVIDENDS

	31 3 09	31 3 08
	£	£
Final paid £nil per share (2008 £37,500 per share)	<u>-</u>	<u>75,000</u>

8 TANGIBLE FIXED ASSETS

	Long leasehold investment properties £
COST OR VALUATION	
At 1 April 2008	26,570,000
Additions	2,589,448
Revaluations	<u>(5,189,448)</u>
At 31 March 2009	<u>23,970,000</u>
NET BOOK VALUE	
At 31 March 2009	<u>23,970,000</u>
At 31 March 2008	<u>26,570,000</u>

The carrying value of fixed asset properties was reviewed by the directors in accordance with the group's accounting policy

The historic cost of tangible fixed assets is £30,939,499 (2008 £28,350,051)

The above assets are held for letting

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 3 08
	£	£
Trade debtors	45,384	9,791
Other debtors	754,485	64,655
VAT recoverable	1,050	1,500
Deferred tax asset (note 12)	<u>646,773</u>	<u>365,672</u>
	<u>1,447,692</u>	<u>441,618</u>

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)

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

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 3 08
	£	£
Trade creditors	169,141	38,249
Amounts owed to group undertakings	14,081,036	12,892,414
Accruals and deferred income	<u>555,084</u>	<u>491,708</u>
	<u>14,805,261</u>	<u>13,422,371</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 3 09	31 3 08
	£	£
Bank loans	<u>18,474,132</u>	<u>15,600,000</u>

The bank loans are on normal commercial terms and are secured by way of a fixed and floating charge over the assets of the company. Associated interest is payable on the loan of £15,600,000 at a variable rate of 1.15% over LIBOR with a swap to a fixed LIBOR rate of 5% in respect of £12,500,000 of the loan. Associated interest is payable on the loan of £2,874,132 at a variable rate of 1.5% over LIBOR. Both loans are repayable in full in November 2010.

	31 3 09	31 3 08
	£	£
In 2 - 5 years	<u>18,474,132</u>	<u>15,600,000</u>

12 PROVISIONS FOR LIABILITIES

	31 3 09	31 3 08
	£	£
Deferred tax:		
Accelerated capital allowances	19,593	27,370
Losses	<u>(666,366)</u>	<u>(393,042)</u>
	<u>(646,773)</u>	<u>(365,672)</u>

	£
At 1 April 2008	(365,672)
Credited to profit and loss account	<u>(281,101)</u>
At 31 March 2009	<u>(646,773)</u>

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)

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

13 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			

14 RESERVES

	Profit and loss account £	Revaluation reserve £	Total £
At 1 April 2008	263,270	(1,780,051)	(1,516,781)
Profit for the financial year	<u>29,640</u>	<u>(5,189,448)</u>	<u>(5,159,808)</u>
At 31 March 2009	<u>292,910</u>	<u>(6,969,499)</u>	<u>(6,676,589)</u>

15 RELATED PARTY DISCLOSURES

At 31 March 2009, Ashflame Linwood Limited owed £14,081,036 (2008 £12,892,414) to Ashflame Investments Limited. Under the loan agreement interest is only payable on a proportion of the loan (£3,115,000 as at inception) at 1% over the Bank of England base rate. The remainder of the loan is interest free.

ASHFLAME LINWOOD LIMITED (REGISTERED NUMBER: 5489807)

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

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	31 3 09	31 3 08
	£	£
Profit for the financial year	29,640	171,502
Dividend paid	<u>-</u>	<u>(75,000)</u>
	29,640	96,502
Other recognised gains and losses relating to the year (net)	<u>(5,189,448)</u>	<u>(1,780,051)</u>
Net addition to shareholders' deficit	(5,159,808)	(1,683,549)
Opening shareholders' (deficit)/funds	<u>(1,516,779)</u>	<u>166,770</u>
Closing shareholders' deficit	<u>(6,676,587)</u>	<u>(1,516,779)</u>

17 CONTROLLING PARTY

Ashflame Linwood Limited is a wholly owned subsidiary of Linwood Property Investments Limited (incorporated in England and Wales). At 31 March 2009, Linwood Property Investments Limited was controlled by Ashflame Property Investments Limited, (incorporated in England and Wales). Ashflame Property Investments Limited is controlled by Ashflame Investments Limited (incorporated in England and Wales), its ultimate parent undertaking, which prepares consolidated financial statements for the group.

On 1 April 2009, Countywide Developments Limited acquired Linwood Property Investments Limited and the ultimate controlling party remains Mr A C Gallagher by virtue of his ownership of the issued share capital of both Ashflame Investments Limited and Countywide Developments Limited.