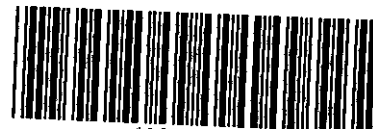


Registered number: SC 226300

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008
FOR
ASHFLAME KILMARNOCK LIMITED**

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ASHFLAME KILMARNOCK LIMITED

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ASHFLAME KILMARNOCK LIMITED

COMPANY INFORMATION **for the year ended 31 March 2008**

DIRECTORS: A C Gallagher
G H Gosling

SECRETARY: S A Burnett

REGISTERED OFFICE: Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

REGISTERED NUMBER: SC 226300 (Scotland)

**INDEPENDENT
AUDITORS:** PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

ASHFLAME KILMARNOCK LIMITED

REPORT OF THE DIRECTORS for the year ended 31 March 2008

The directors present their report and the audited financial statements of the company and the group for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of property investment.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

The company owns a retail park which is fully let and the investment is expected to be profitable. The directors consider the results for the year, the year end financial position and future prospects to be in line with expectations.

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, changes to UK interest rates and to the risk that tenants will cease trading.

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.

POST BALANCE SHEET EVENT

Due to the adverse market conditions in the property sector, the directors believe that the value of the investment property held by the company has fallen 10 - 15% since the balance sheet date.

DIVIDENDS

A dividend of £nil was paid in the year ended 31 March 2008 (2007: £10,000,000).

DIRECTORS

The directors during the year under review were:

A C Gallagher
G H Gosling

The directors holding office at 31 March 2008 did not hold any direct beneficial interest in the issued share capital of the company at 1 April 2006 or 31 March 2008.

The interests of the directors in the share capital of the parent company are shown in the financial statements of that company.

ASHFLAME KILMARNOCK LIMITED

REPORT OF THE DIRECTORS (continued) for the year ended 31 March 2008

FINANCIAL RISK MANAGEMENT

The group's operations expose it to a variety of financial risks that include the effects of credit, liquidity and interest rate risks. The directors actively monitor these risks and the potential costs.

The credit rating of property tenants is regularly assessed and changes in the risk profile are managed. The group utilises a mixture of bank and group funding designed to ensure it has sufficient working capital available. Floating interest rates are reviewed and swapped for fixed rates where appropriate to reduce exposure to adverse interest rate fluctuations.

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.

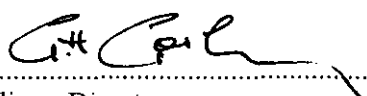
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



G H Gosling - Director
20 January 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHFLAME KILMARNOCK LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Ashflame Kilmarnock Limited for the year ended 31 March 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company 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

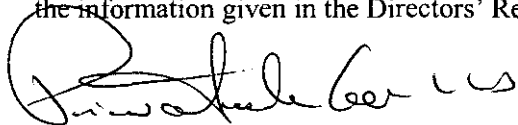
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and 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 group's and the parent company's affairs as at 31 March 2008 and of the group's 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

22 January 2009

ASHFLAME KILMARNOCK LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 March 2008

	Notes	Year Ended 31.3.08 £	Year Ended 31.3.07 £
TURNOVER		1,623,850	1,604,348
Cost of sales		<u>(248,861)</u>	<u>(122,694)</u>
GROSS PROFIT		1,374,989	1,481,654
Administrative expenses		<u>(57,981)</u>	<u>(19,822)</u>
OPERATING PROFIT	3	1,317,008	1,461,832
Interest receivable and similar income	4	<u>114,081</u>	<u>33,414</u>
		1,431,089	1,495,246
Interest payable and similar charges	5	<u>(2,276,359)</u>	<u>(1,710,379)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(845,270)	(215,133)
Tax on loss on ordinary activities	6	<u>240,603</u>	<u>64,418</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION	15	<u><u>(604,667)</u></u>	<u><u>(150,715)</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current 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.

ASHFLAME KILMARNOCK LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2008**

	Notes	Year ended 31.3.08 £	Year ended 31.3.07 £
LOSS FOR THE FINANCIAL YEAR		(604,667)	(10,150,715)
Reduction on revaluation of the Investment property	8	<u>(4,859,283)</u>	<u>1,945,468</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>(5,463,950)</u>	<u>(8,205,247)</u>

The notes form part of these financial statements

ASHFLAME KILMARNOCK LIMITED

CONSOLIDATED BALANCE SHEET
31 March 2008

	Notes	31.3.08 £	31.3.07 £
FIXED ASSETS			
Tangible assets	8	31,860,000	36,626,789
CURRENT ASSETS			
Debtors	10	298,613	1,120,045
Cash at bank		<u>805,247</u>	<u>729,129</u>
		1,103,860	1,849,174
CREDITORS			
Amounts falling due within one year	11	<u>(15,335,049)</u>	<u>(15,037,934)</u>
NET CURRENT LIABILITIES		<u>(14,231,189)</u>	<u>(13,188,760)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,628,811	23,438,029
CREDITORS			
Amounts falling due after more than one year	12	(22,280,000)	(22,600,000)
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>-</u>	<u>(25,268)</u>
NET (LIABILITIES)/ASSETS		<u>(4,651,189)</u>	<u>812,761</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Revaluation reserve	15	5,325,423	10,184,706
Profit and loss account	15	<u>(9,986,612)</u>	<u>(9,381,945)</u>
SHAREHOLDERS' (DEFICIT)/ FUNDS	17	<u>(4,651,189)</u>	<u>812,761</u>

The financial statements were approved by the Board of Directors on 20 January 2009 and were signed on its behalf by:



 G H Gosling - Director

The notes form part of these financial statements

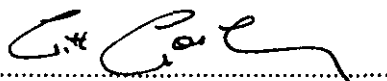
ASHFLAME KILMARNOCK LIMITED

COMPANY BALANCE SHEET

31 March 2008

	Notes	31.3.08 £	31.3.07 £
FIXED ASSETS			
Investments	9	25,302,453	22,072,594
CURRENT ASSETS			
Debtors	10	1,006,629	994,457
Cash at bank		<u>311,285</u>	<u>250,080</u>
		1,317,914	1,244,537
CREDITORS			
Amounts falling due within one year	11	<u>(5,581,384)</u>	<u>(794,357)</u>
NET CURRENT LIABILITIES		<u>(4,263,470)</u>	<u>450,180</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,038,983	22,522,774
CREDITORS			
Amounts falling due after more than one year	12	<u>(22,280,000)</u>	<u>(22,600,000)</u>
NET LIABILITIES		<u>(1,241,017)</u>	<u>(77,226)</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Profit and loss account	15	<u>(1,251,017)</u>	<u>(87,226)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(1,241,017)</u>	<u>(77,226)</u>

The financial statements were approved by the Board of Directors on 20 January 2009 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 31 March 2008

1. ACCOUNTING POLICIES

Accounting convention

These accounts are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

Consolidation

The consolidated financial statements include the accounts of the company and its subsidiary undertaking which are made up to 31 March 2008. Intra-group sales, profits and balances are eliminated on consolidation. In accordance with the exemption in FRS 8, transactions and balances with subsidiaries which are eliminated on consolidation have not been disclosed.

Cash flow exemption

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

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.

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 a tax computation at the current rate of tax. Deferred tax assets are recognised if their utilisation is considered more likely than not. Deferred tax is not provided on the revaluation of investment property unless there is a binding commitment to sell the asset.

Investment properties

Until investment properties are complete they are included in the accounts at cost. Once completed, open market valuations are applied. These are performed on a 3 year cycle subject to the reflection in the accounts of any sustainable revaluation and any effect resulting from an annual impairment review.

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.

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

1. ACCOUNTING POLICIES (continued)

Investment properties (continued)

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.

Revaluation of investment property held by a British Virgin Islands (BVI) registered subsidiary results in a distributable reserve under BVI company law.

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.

Going concern

The financial statements have been prepared on a going concern basis as the company has received confirmation of financial support from Countywide Developments Limited, a related company under common control. The directors have reviewed the funding position of the Ashflame Group of companies, and the Countywide group of companies (collectively 'the groups'), and have concluded that it is appropriate to prepare the financial statements of the Ashflame Group of companies, and hence this company, on a going concern basis.

In evaluating the groups, (and the companies within the groups) and their ability to continue as a going concern, the directors have considered the cash flows for the groups arising from operations, investment and financing activities. In the ordinary course of business there are approximately £62m of loans which are due to be refinanced across the groups over the next 12 months from the date of these accounts. In general, the market in which the groups are 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 will be renewed on acceptable terms to the groups. While there are a range of uncertainties which the companies and groups are required to manage, the directors believe that the position of the groups is strong and the directors will be able to manage the position satisfactorily.

2. STAFF COSTS

There were no direct staff costs for the year ended 31 March 2008 (2007: none). However, £53,185 (2007: £15,951) was payable to J J Gallagher Limited, a related company, for the service of individuals who had performed work on behalf of Ashflame Kilmarnock Limited.

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

	Year Ended 31.3.08	Year Ended 31.3.07
Directors	<u>2</u>	<u>2</u>

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.3.08 £	Year Ended 31.3.07 £
Auditors' remuneration (company and group)	<u>2,550</u>	<u>2,500</u>
Directors' emoluments	<u>-</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.3.08 £	Year Ended 31.3.07 £
Bank interest	72,137	26,239
Interest receivable on loans to group undertakings	41,727	7,175
Other	<u>217</u>	<u>-</u>
	<u>114,081</u>	<u>33,414</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31.3.08 £	Year Ended 31.3.07 £
Bank interest	1,611,377	1,428,065
Other interest	-	35
Interest payable on loans from group undertakings	574,545	272,782
Amortisation of loan issue costs	<u>90,437</u>	<u>9,497</u>
	<u>2,276,359</u>	<u>1,710,379</u>

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

6. TAXATION

Analysis of the tax credit

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

	Year Ended 31.3.08 £	Year Ended 31.3.07 £
Current tax:		
Group relief		
- Current year	(103,695)	(65,673)
- Prior year adjustments	<u>65,673</u>	<u>-</u>
	(38,022)	(65,673)
Deferred tax:		
- Origination and reversal of timing differences	(149,573)	1,255
- Prior year	(65,673)	-
- Change in tax rate from 30% to 28%	<u>12,665</u>	<u>-</u>
Total deferred tax	(202,581)	1,255
Tax on loss on ordinary activities	<u>(240,603)</u>	<u>(64,418)</u>

The current tax credit differs from the standard UK corporation tax rate of 30% applied to the loss for the year. The differences are:

	Year ended 31.3.08 £	Year ended 31.3.07 £
Loss for the year at 30%	(253,581)	(64,540)
Expenses not deductible for tax	313	122
Capital allowances in excess of depreciation	(1,129)	(1,255)
Creation of tax losses	150,702	-
Prior year adjustments	<u>65,673</u>	<u>-</u>
Current tax credit	<u>(38,022)</u>	<u>(65,673)</u>

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

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 8.

7. DIVIDENDS

	Year Ended 31.3.08 £	Year Ended 31.3.07 £
Final paid of £5,000,000 per share	<u>-</u>	<u>10,000,000</u>

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

8. TANGIBLE FIXED ASSETS

GROUP	Freehold Investment Property £
COST OR VALUATION	
At 1 April 2007	36,626,789
Additions	92,494
Reduction on revaluation	(4,859,283)
At 31 March 2008	<u>31,860,000</u>
NET BOOK VALUE	
At 31 March 2008	<u>31,860,000</u>
At 31 March 2007	<u>36,626,789</u>

The carrying value of fixed asset properties was reviewed in accordance with the accounting policy and a revaluation of the investment properties was undertaken on an open market basis as at 31 March 2008 by a director having regard to current and expected future yields.

Due to adverse market conditions, the directors consider that the value of the investment property held has fallen a further 10 – 15% since the balance sheet date. The directors consider this to be a temporary diminution in value and expect the value to increase over the medium term.

The historic cost of tangible fixed assets is £26,534,577. The freehold investment property is held for letting.

9. FIXED ASSET INVESTMENTS

COMPANY	Interest in a subsidiary undertaking £	Loan to a subsidiary undertaking £	Total £
At 31 March 2008	<u>5,993</u>	<u>25,296,460</u>	<u>25,302,453</u>
At 31 March 2007	<u>5,993</u>	<u>22,066,601</u>	<u>22,072,594</u>

The company holds all of the ordinary share capital of Ashflame Glencairn Park Limited, a property investment company registered in the British Virgin Islands.

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.08	31.3.07	31.3.08	31.3.07
	£	£	£	£
Trade debtors	19,510	6,365	-	-
Other debtors	62,198	71,634	62,197	71,634
VAT recoverable	1,625	1,017,989	-	-
Amounts due from group undertakings	-	-	944,432	922,823
Prepayments and accrued income	37,967	24,057	-	-
Deferred tax	177,313	-	-	-
	<u>298,613</u>	<u>1,120,045</u>	<u>1,006,629</u>	<u>994,457</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.08	31.3.07	31.3.08	31.3.07
	£	£	£	£
Bank loan (note 12)	5,120,000	-	5,120,000	-
Trade creditors	49,976	6,273,499	-	-
VAT payable	-	-	339	66,869
Amounts due to group undertakings	9,389,081	7,686,899	-	-
Accruals and deferred income	775,992	1,077,536	461,045	727,488
	<u>15,335,049</u>	<u>15,037,934</u>	<u>5,581,384</u>	<u>794,357</u>

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.3.08	31.3.07	31.3.08	31.3.07
	£	£	£	£
Bank loan	<u>22,280,000</u>	<u>22,600,000</u>	<u>22,280,000</u>	<u>22,600,000</u>

The bank loan is on normal commercial terms and is secured by a floating charge over the assets of the group. £4.8m of the bank loan relates to a development facility and is repayable on demand. The remaining £22.6m of the bank loan is repayable by quarterly instalments commencing 5 April 2008 with a final payment in January 2016 and bears interest at 6.4%.

An analysis of the maturity of loans repayable by instalments is given below:

	Group		Company	
	31.3.08	31.3.07	31.3.08	31.3.07
	£	£	£	£
Amounts falling due:				
In one year	5,120,000	-	5,120,000	-
In one to two years	320,000	320,000	320,000	320,000
In two to five years	960,000	1,280,000	960,000	1,280,000
In more than five years	<u>21,000,000</u>	<u>21,000,000</u>	<u>21,000,000</u>	<u>21,000,000</u>
	<u>27,400,000</u>	<u>22,600,000</u>	<u>27,400,000</u>	<u>22,600,000</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Group	
	Amount provided		Total potential (asset)/liability	
	31.3.08	31.3.07	31.3.08	31.3.07
	£	£	£	£
Deferred taxation:				
Tax effect of timing differences due to:				
Excess of capital allowances over				
Depreciation	24,637	25,268	24,637	25,268
Losses	<u>(201,950)</u>	<u>-</u>	<u>(201,950)</u>	<u>-</u>
	<u>(177,313)</u>	<u>25,268</u>	<u>(177,313)</u>	<u>25,268</u>

At 1 April 2007	£
Profit and loss account credit for the year (note 6)	25,268
	<u>(202,581)</u>
At 31 March 2008 (note 10)	<u>(177,313)</u>

The company has no deferred tax (asset)/liability.

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.3.08	31.3.07
		value:	£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.3.08	31.3.07
		value:	£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

15. RESERVES

	Profit and loss account £	Other distributable revaluation reserve £
GROUP		
At 1 April 2007	(9,381,945)	10,184,706
Loss for the year	(604,667)	-
Deficit on revaluation	-	<u>(4,859,283)</u>
At 31 March 2008	<u>(9,986,612)</u>	<u>5,325,423</u>

	Profit and loss account £
COMPANY	
At 1 April 2007	(87,226)
Loss for the year	<u>(1,163,791)</u>
At 31 March 2008	<u>(1,251,017)</u>

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £1,163,791 (2007: profit of £12,999,235).

16. 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.

ASHFLAME KILMARNOCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 March 2008

17. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' DEFICIT

	31.3.08	31.3.07
	£	£
Loss for the financial year	(604,667)	(150,715)
Dividends	-	(10,000,000)
Issue of shares	-	9,998
Other recognised gains and losses relating to the year (net)	<u>(4,859,283)</u>	<u>1,945,468</u>
Net decrease in shareholders' funds	(5,463,950)	(8,195,249)
Opening shareholders' funds	<u>812,761</u>	<u>9,008,010</u>
Closing shareholders' (deficit)/funds	<u>(4,651,189)</u>	<u>812,761</u>
Equity interests	<u>(4,651,189)</u>	<u>812,761</u>

18. CONTROLLING PARTY

Ashflame Kilmarnock 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 all of the issued share capital of the ultimate parent undertaking.