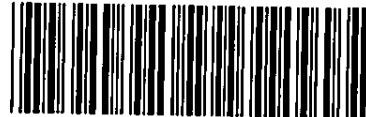


REGISTRAR OF COMPANIES

Company Registration No. 05288991 (England and Wales)

F H FLETCHER GATE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2009

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COMPANIES HOUSE

F H FLETCHER GATE LIMITED

COMPANY INFORMATION

Directors	D. J. Kennedy J. N. Shaw FRICS P. C. Schorb FCCA
Secretary	P. C. Schorb FCCA
Company number	05288991
Registered office	St. John's House East Street Leicester LE1 6NB
Auditors	Clear & Lane 340 Melton Road Leicester LE4 7SL
Business address	St. John's House East Street Leicester LE1 6NB
Bankers	Lloyds TSB Bank Plc 7 High Street Leicester LE1 4FP
Solicitors	Druces and Attlee Salisbury House London Wall London EC2M 5PS Spearing Waite 41 Friar Lane Leicester LE1 5RB

F H FLETCHER GATE LIMITED

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F H FLETCHER GATE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2009

The directors present their report and financial statements for the year ended 31 January 2009.

Principal activities and review of the business

The principal activity of the Company continued to be that of property development and trading. The Directors resolved that the company's only property be re-classified as an investment asset on 31 January 2009 and accordingly the principle activity of the Company from 31 January 2009 becomes property investment.

A detailed review of the business of the company is contained within the Chairman's statement in the parent company's financial statements.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 February 2008:

C. R. Hilton	(Retired 13 June 2008)
D. J. Kennedy	
J. N. Shaw	(Appointed 13 June 2008)
P. C. Schorb	(Appointed 9 December 2008)

In accordance with the Articles of Association, Messrs J. N. Shaw and P. C. Schorb who were appointed during the year, offer themselves for re-election.

Creditor payment policy

It is the policy of the Company to agree payment terms with suppliers when entering into each transaction or series of transactions to ensure that suppliers are made aware of these terms and to abide by them. Creditor days at the end of the year were 8 days (2008: nil days).

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Clear & Lane be reappointed as auditors of the company will be put to the Annual General Meeting.

F H FLETCHER GATE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2009

Statement of directors' responsibilities

The directors are responsible for preparing 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 those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

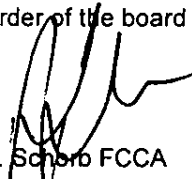
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



P. C. Schorb FCCA
Secretary

20 April 2009

F H FLETCHER GATE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF F H FLETCHER GATE LIMITED

We have audited the financial statements of F H Fletcher Gate Limited for the year ended 31 January 2009 set out on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing 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).

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgements 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.

F H FLETCHER GATE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF F H FLETCHER GATE LIMITED

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 January 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.

Clear & Lane

Clear & Lane
Chartered Accountants
Registered Auditor

340 Melton Road
Leicester
LE4 7SL

20 April 2009

F H FLETCHER GATE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2009

	Notes	2009 £	2008 £
Turnover	3	468,412	375,419
Cost of sales		(339,880)	-
Gross profit		128,532	375,419
Administrative expenses		(2,771)	(2,667)
Operating profit	4	125,761	372,752
Other interest receivable and similar income	5	979	986
Interest payable and similar charges	6	(258,780)	(343,243)
(Loss)/profit on ordinary activities before taxation		(132,040)	30,495
Tax on (loss)/profit on ordinary activities	7	40,498	(9,149)
(Loss)/profit for the year	14	(91,542)	21,346

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

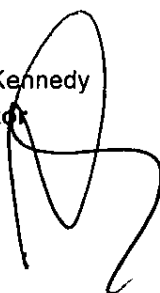
F H FLETCHER GATE LIMITED

BALANCE SHEET AS AT 31 JANUARY 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	8	5,126,000		-	
Investments	9		1		1
			<u>5,126,001</u>		<u>1</u>
Current assets					
Development property	10	-		5,377,799	
Debtors	11	58,692		43,966	
Cash at bank and in hand		46,691		27,260	
			<u>105,383</u>	<u>5,449,025</u>	
Creditors: amounts falling due within one year	12	<u>(5,662,615)</u>		<u>(5,788,715)</u>	
Net current liabilities			<u>(5,557,232)</u>		<u>(339,690)</u>
Total assets less current liabilities			<u>(431,231)</u>		<u>(339,689)</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14		(431,232)		(339,690)
Shareholders' funds - equity interests	15		<u>(431,231)</u>		<u>(339,689)</u>

The financial statements were approved by the Board on 20 April 2009

D. J. Kennedy
Director



J. N. Shaw FRICS
Director



F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2009

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The Company has prepared the financial statements on a going concern basis based on the continued support of the other group Companies. The Directors have resolved that the Company's development property be re-classified as an investment property to be held for its future rental returns.

These consolidated financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (GAAP) and the Companies Act 1985. The Company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement. The Company is a wholly owned subsidiary of Glenstone Property Plc, whose financial statements include a consolidated cash flow statement dealing with the cash flow of the group.

1.2 Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Company controls another entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Profit and Loss Account.

1.3 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of its ultimate parent, Glenstone Property Plc, a Company incorporated in England and Wales, and is included in the consolidated accounts of that Company.

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

1 Accounting policies

(continued)

1.4 Investment properties

Investment property comprises of long leasehold buildings. These comprise retail units, and are measured initially at cost, including related transaction costs. These are held as investments to earn rental income and for capital appreciation and are stated at fair value at the Balance Sheet date.

After initial recognition investment property is carried at fair value, based on market values; it is then determined annually by independent external valuers or held at Directors' valuation if appropriate. The surplus or deficit arising from these valuations are transferred to or from revaluation reserve. When an existing investment property is redeveloped for continued future use as an investment property, it remains an investment property whilst in development.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Subsequent expenditure is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Profit and Loss Account during the financial period in which they are incurred.

The gain or loss arising on the disposal of investment properties is determined as the difference between the net sale proceeds and the carrying value of the asset at the beginning of the period and is recognised in the Profit and Loss Account.

1.5 Development property

Development properties are stated at the lower of cost and net realisable value. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is included in the asset's carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other repair and maintenance expenditures are charged to the Profit and Loss Account during the financial period in which they are incurred.

1.6 Debtors

Trade debtors are recognised initially at invoice value and are subsequently measured less provision for impairment. A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the Profit and Loss Account.

1.7 Cash at bank and in hand

Cash at bank and in hand are carried in the Balance Sheet at cost. They comprise cash in hand and deposits held at call with banks. Bank overdrafts are included within borrowings in current liabilities on the Balance Sheet.

1.8 Borrowings

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

1 Accounting policies

(continued)

1.9 Turnover

Turnover represents rents receivable from investment properties, from the proceeds received from the sale of development properties, and rents received from development properties prior to their sale. Proceeds from the sale of development properties are included in turnover on legal completion.

1.10 Revenue recognition

(a) Rental income

Revenue comprises the fair value of rental income, service charges and management charges from properties (net of value added tax).

This income is recognised as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

(b) Interest income

Interest income on any short-term deposits is recognised in the Profit and Loss Account as it accrues.

1.11 Taxation

The tax charge in the Profit and Loss Account comprises tax currently payable and deferred tax.

(a) Deferred Taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax is not recognised on timing differences arising on the revaluation of investment properties unless, by the balance sheet date, a binding agreement to sell the revalued asset has been entered into and recognised gains and losses are expected to arise on the sale.

(b) Current Tax

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted by the Balance Sheet date.

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

1 Accounting policies (continued)

1.12 Financial risk management

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and cash flow interest rate risk.

(a) Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any financial institution. The Company has no significant concentration of credit risk as exposure is spread over a number of tenants.

(b) Cash flow and fair value interest rate risk

The Company has no significant interest bearing assets. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

(c) Capital risk

The Company's objective in managing capital is to build a strong capital base to support current operations and planned growth, without the requirement for future support from other group Companies.

The Company is not subject to external regulatory capital requirements.

2 Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of investment properties

Investment properties are revalued at fair value by independent external valuers, King Sturge LLP each year at 31 January.

3 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

2009	2008
£	£

Operating profit is stated after charging:

Fees payable to the company's auditor for the audit of the company's annual accounts

1,850	2,190
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F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

5	Interest receivable	2009 £	2008 £
	Bank interest	225	557
	Other interest	754	429
		<u>979</u>	<u>986</u>
		<u><u>979</u></u>	<u><u>986</u></u>
6	Interest payable	2009 £	2008 £
	On amounts payable to group companies	257,938	342,995
	On bank loans and overdrafts	842	248
		<u>258,780</u>	<u>343,243</u>
		<u><u>258,780</u></u>	<u><u>343,243</u></u>
7	Taxation	2009 £	2008 £
	Domestic current year tax		
	U.K. corporation tax	(37,398)	9,149
	Adjustment for prior years	(3,100)	-
		<u>(40,498)</u>	<u>9,149</u>
	Current tax charge	<u><u>(40,498)</u></u>	<u><u>9,149</u></u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(132,040)	30,495
		<u>(132,040)</u>	<u>30,495</u>
		<u><u>(132,040)</u></u>	<u><u>30,495</u></u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.32% (2008 - 30.00%)	(37,398)	9,149
	Effects of:		
	Adjustments to previous periods	(3,100)	-
		<u>(40,498)</u>	<u>9,149</u>
	Current tax charge	<u><u>(40,498)</u></u>	<u><u>9,149</u></u>

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

8 Tangible fixed assets

	Investment properties £
Valuation	
At 1 February 2008	-
Additions	5,126,000
	<hr/>
At 31 January 2009	5,126,000
	<hr/> <hr/>

At the year end, the investment properties were revalued by King Sturge LLP, Chartered Surveyors on an open market basis for existing use.

The cost and net book value of the property prior to its reclassification from a development property to a fixed asset investment property under the historical cost convention amounted to £5,388,595.

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 February 2008 & at 31 January 2009	1
Net book value	
At 31 January 2009	1
At 31 January 2008	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
F H Fletcher Gate Residential Limited	England	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves	Profit/(loss) for the year
		2009	2009
		£	£
F H Fletcher Gate Residential Limited	Dormant	1	-

10 Development property

	2009	2008
	£	£
Development property	-	5,377,799

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

11 Debtors	2009	2008
	£	£
Trade debtors	21,293	43,965
Corporation tax	37,398	-
Other debtors	1	1
	<u>58,692</u>	<u>43,966</u>

12 Creditors: amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts - secured	2,939	-
Trade creditors	142,153	165,516
Amounts owed to parent and fellow subsidiary undertakings	5,509,721	5,591,785
Corporation tax	-	9,149
Other taxes and social security costs	5,948	20,510
Accruals and deferred income	1,854	1,755
	<u>5,662,615</u>	<u>5,788,715</u>

13 Share capital	2009	2008
	£	£
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Statement of movements on profit and loss account	Profit and loss account £
Balance at 1 February 2008	(339,690)
Loss for the year	<u>(91,542)</u>
Balance at 31 January 2009	<u>(431,232)</u>

F H FLETCHER GATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2009

15 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
(Loss)/profit for the financial year	(91,542)	21,346
Opening shareholders' funds	(339,689)	(361,035)
	<hr/>	<hr/>
Closing shareholders' funds	(431,231)	(339,689)
	<hr/> <hr/>	<hr/> <hr/>

16 Contingent liabilities

There is an omnibus guarantee and set off agreement in favour of the company's bankers for amounts due by group companies.

At 31 January 2009 the net liability owed to the bank by all group undertakings, including this company, amounted to £23,892,264 (2008 - £24,180,331).

17 Employees

Number of employees

There were no employees during the year apart from the directors.

18 Ultimate parent company

The company is a wholly owned subsidiary of Frankton House Limited, a company registered in England and Wales.

The ultimate parent undertaking is Glenstone Property Plc, a company registered in England and Wales.

Copies of Glenstone Property Plc's consolidated accounts are available from the Company Secretary at St John's House, East Street, Leicester, LE1 6NB. This is the largest and the smallest group into which the results are consolidated.

19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.