

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008  
FOR  
NEATH PROPERTY INVESTMENTS LIMITED  
5824621**

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# NEATH PROPERTY INVESTMENTS LIMITED

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**NEATH PROPERTY INVESTMENTS LIMITED**

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

**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:** 5824621 (England and Wales)

**INDEPENDENT  
AUDITORS:** PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

# **NEATH PROPERTY INVESTMENTS LIMITED**

## **REPORT OF THE DIRECTORS for the year ended 31 March 2008**

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

### **PRINCIPAL ACTIVITY**

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

### **REVIEW OF BUSINESS**

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

The company holds a 50% investment in Neath Retail LLP which owns a retail park.

Both the result for the year, and the year end financial position were satisfactory.

### **DIVIDENDS**

No dividends were paid in the year ended 31 March 2008 (period ended 31 March 2007: £nil).

### **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 beneficial interest in the issued share capital of the company at 1 April 2007 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.

### **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.

**NEATH PROPERTY INVESTMENTS LIMITED**

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

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

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 NEATH PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of Neath Property Investments Limited for the year ended 31 March 2008 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 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

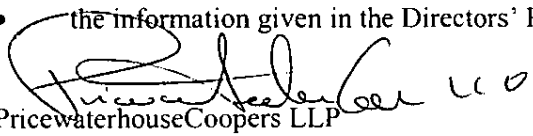
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

Date: 29 Jan 2009

# NEATH PROPERTY INVESTMENTS LIMITED

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

|   | Notes | Year Ended<br>31.3.08<br>£ | Period<br>22.5.06<br>to<br>31.3.07<br>£ |
|---|-------|----------------------------|---|
| <b>TURNOVER</b>   |       | -                          | -                                       |
| Administrative expenses   |       | <u>(1,775)</u>             | <u>(350)</u>                            |
| <b>OPERATING LOSS AND LOSS<br/>ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> | 3     | (1,775)                    | (350)                                   |
| Tax on loss on ordinary activities  | 4     | <u>(17,215)</u>            | <u>9,458</u>                            |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR/<br/>PERIOD AFTER TAXATION</b>        | 9     | <u>(18,990)</u>            | <u>9,108</u>                            |

### CONTINUING OPERATIONS

All of the company's activities relate to continuing operations.

### TOTAL RECOGNISED GAINS AND LOSSES

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

### 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

# NEATH PROPERTY INVESTMENTS LIMITED

## BALANCE SHEET

31 March 2008

|  | Notes | 31.3.08<br>£          | 31.3.07<br>£        |
|--|-------|-----------------------|---------------------|
| <b>CURRENT ASSETS</b>                        |       |                       |                     |
| Debtors                                      | 5     | 718,193               | 758,010             |
| <b>CREDITORS</b>                             |       |                       |                     |
| Amounts falling due within one year          | 6     | <u>(714,080)</u>      | <u>(748,900)</u>    |
| <b>NET CURRENT ASSETS</b>                    |       | <u>4,113</u>          | <u>9,110</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 4,113                 | 9,110               |
| <b>PROVISIONS FOR LIABILITIES</b>            | 7     | <u>(13,993)</u>       | -                   |
| <b>NET (LIABILITIES)/ASSETS</b>              |       | <u><u>(9,880)</u></u> | <u><u>9,110</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                       |                     |
| Called up share capital                      | 8     | 2                     | 2                   |
| Profit and loss account                      | 9     | <u>(9,882)</u>        | <u>9,108</u>        |
| <b>SHAREHOLDERS' (DEFICIT)/ FUNDS</b>        | 11    | <u><u>(9,880)</u></u> | <u><u>9,110</u></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



# NEATH PROPERTY INVESTMENTS LIMITED

## 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 and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

#### **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 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.

# NEATH PROPERTY INVESTMENTS LIMITED

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

### 2. STAFF COSTS

There were no staff costs for the year ended 31 March 2008 nor for the period ended 31 March 2007.

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

|           | Year Ended<br>31.3.08 | Period<br>22.5.06<br>to<br>31.3.07 |
|-----------|-----------------------|------------------------------------|
| Directors | <u>2</u>              | <u>2</u>                           |

### 3. OPERATING LOSS

The operating loss is stated after charging:

|                        | Year Ended<br>31.3.08 | Period<br>22.5.06<br>to<br>31.3.07 |
|------------------------|-----------------------|------------------------------------|
| Auditors' remuneration | £<br><u>1,075</u>     | £<br><u>350</u>                    |
| Directors' emoluments  | <u>-</u>              | <u>-</u>                           |

# NEATH PROPERTY INVESTMENTS LIMITED

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

### 4. TAXATION

#### Analysis of the tax charge/(credit)

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

|  | Year Ended<br>31.3.08<br>£ | Period<br>22.5.06<br>to<br>31.3.07<br>£ |
|--|----------------------------|---|
| Current tax:                                       |                            |   |
| Group relief                                       | 3,207                      | (9,458)                                 |
| Group relief prior period                          | <u>15</u>                  | <u>-</u>                                |
| Total current tax                                  | 3,222                      | (9,458)                                 |
| Deferred tax                                       |                            |   |
| - Origination and reversal of timing differences   | 5,640                      | -                                       |
| - Prior year adjustment                            | 9,353                      | -                                       |
| - Change in tax rate from 30% to 28%               | <u>(1,000)</u>             | <u>-</u>                                |
| Total deferred tax                                 | 13,993                     | -                                       |
| Tax charge/(credit) on loss on ordinary activities | <u>17,215</u>              | <u>(9,458)</u>                          |

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

|   | Year Ended<br>31.3.08<br>£ | Period<br>22.5.06<br>to<br>31.3.07<br>£ |
|---|----------------------------|---|
| Loss on ordinary activities at the standard rate of 30% | (533)                      | (105)                                   |
| Expenses not deductible for tax purposes                | 9,380                      | -                                       |
| Partnership losses not recognised in the accounts       | (5,640)                    | (9,353)                                 |
| Prior period group relief                               | <u>15</u>                  | <u>-</u>                                |
|   | <u>3,222</u>               | <u>(9,458)</u>                          |

**NEATH PROPERTY INVESTMENTS LIMITED**

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

**4. TAXATION (continued)**

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

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                  | 31.3.08        | 31.3.07        |
|----------------------------------|----------------|----------------|
|                                  | £              | £              |
| Amount due from Neath Retail LLP | 718,010        | 758,010        |
| VAT recoverable                  | <u>183</u>     | <u>-</u>       |
|                                  | <u>718,193</u> | <u>758,010</u> |

The company holds 50% of Neath Retail LLP and the loan to the LLP is unsecured and interest free.

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 31.3.08        | 31.3.07        |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Amounts owed to group undertakings | 713,005        | 748,550        |
| Accruals and deferred income       | <u>1,075</u>   | <u>350</u>     |
|                                    | <u>714,080</u> | <u>748,900</u> |

**7. PROVISIONS FOR LIABILITIES**

|   | 31.3.08       | 31.3.07  |
|---|---------------|----------|
|   | £             | £        |
| Deferred tax (in respect of other timing differences) | <u>13,993</u> | <u>-</u> |
|   | £             |          |
| Charged to profit and loss account                    | <u>13,993</u> |          |
| At 31 March 2008                                      | <u>13,993</u> |          |

**8. CALLED UP SHARE CAPITAL**

|                                  |          |                |              |              |
|----------------------------------|----------|----------------|--------------|--------------|
| Authorised:                      |          |                |              |              |
| Number:                          | Class:   | Nominal value: | 31.3.08      | 31.3.07      |
|                                  |          |                | £            | £            |
| 1,000                            | Ordinary | £1             | <u>1,000</u> | <u>1,000</u> |
| Allotted, issued and fully paid: |          |                |              |              |
| Number:                          | Class:   | Nominal value: | 31.3.08      | 31.3.07      |
|                                  |          |                | £            | £            |
| 2                                | Ordinary | £1             | <u>2</u>     | <u>2</u>     |

## NEATH PROPERTY INVESTMENTS LIMITED

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

#### 9. RESERVES

|                   | Profit<br>and loss<br>account<br>£ |
|-------------------|------------------------------------|
| At 1 April 2007   | 9,108                              |
| Loss for the year | <u>(18,990)</u>                    |
| At 31 March 2008  | <u>(9,882)</u>                     |

#### 10. RELATED PARTY DISCLOSURES

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

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

|  | 31.3.08<br>£          | 31.3.07<br>£        |
|--|-----------------------|---------------------|
| (Loss)/profit for the financial year/period            | (18,990)              | 9,108               |
| Issue of shares  | <u>-</u>              | <u>2</u>            |
| <b>Net (reduction)/addition to shareholders' funds</b> | <b>(18,990)</b>       | <b>9,110</b>        |
| Opening shareholders' funds                            | <u>9,110</u>          | <u>-</u>            |
| <b>Closing shareholders' (deficit)/funds</b>           | <b><u>(9,880)</u></b> | <b><u>9,110</u></b> |

#### 12. CONTROLLING PARTY

Neath 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.