

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
SALAFT PROPERTIES LIMITED

SALAFT PROPERTIES LIMITED

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FOR THE YEAR ENDED 31 MARCH 2013**

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SALAFT PROPERTIES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013

DIRECTORS: L F Small
R G Baum
Mrs A S Baum
Mrs H M Small

SECRETARY: L F Small

REGISTERED OFFICE: Argyll House
23 Brook Street
Kingston upon Thames
Surrey
KT1 2BN

REGISTERED NUMBER: 00628277 (England and Wales)

AUDITORS: Haines Watts
Chartered Accountants
Statutory Auditors
Argyll House
23 Brook Street
Kingston upon Thames
Surrey
KT1 2BN

SALAFT PROPERTIES LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of property investment and property dealing.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

L F Small
R G Baum
Mrs A S Baum
Mrs H M Small

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group 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 (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SALAFT PROPERTIES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

L F Small - Secretary

11 November 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SALAFT PROPERTIES LIMITED

We have audited the financial statements of Salaft Properties Limited for the year ended 31 March 2013 on pages six to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SALAFT PROPERTIES LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

Daniel Morgan (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditors
Argyll House
23 Brook Street
Kingston upon Thames
Surrey
KT1 2BN

11 November 2013

SALAFT PROPERTIES LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	31.3.13 £	£	31.3.12 £	£
TURNOVER	2		5,780,510		4,683,071
Cost of sales			<u>2,502,439</u>		<u>1,852,607</u>
GROSS PROFIT			3,278,071		2,830,464
Administrative expenses			<u>457,147</u>		<u>370,543</u>
			2,820,924		2,459,921
Other operating income			<u>131,014</u>		<u>-</u>
OPERATING PROFIT	3		2,951,938		2,459,921
Provision for doubtful debts			<u>(114,540)</u>		<u>548,713</u>
			2,837,398		3,008,634
Income from investments		42,467		37,427	
Interest receivable and similar income		<u>-</u>		<u>53</u>	
			<u>42,467</u>		<u>37,480</u>
			2,879,865		3,046,114
Provision for diminution in value	4		<u>(4,715)</u>		<u>15,890</u>
			2,884,580		3,030,224
Interest payable and similar charges			<u>630,747</u>		<u>608,813</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,253,833		2,421,411
Tax on profit on ordinary activities	5		<u>487,420</u>		<u>613,763</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			<u>1,766,413</u>		<u>1,807,648</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2013**

	31.3.13 £	31.3.12 £
PROFIT FOR THE FINANCIAL YEAR	1,766,413	1,807,648
Surplus / (Deficit) on revaluation of properties credited / (debited) to revaluation reserve	4,000,000	(1,760,353)
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>5,766,413</u>	<u>47,295</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)**CONSOLIDATED BALANCE SHEET**
31 MARCH 2013

	Notes	31.3.13		31.3.12	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		41,371,928		38,158,425
Investments	8		<u>63,686</u>		<u>63,686</u>
			41,435,614		38,222,111
CURRENT ASSETS					
Stocks		1,444,495		2,589,991	
Debtors	9	7,429,334		4,677,447	
Investments	10	972,263		882,696	
Cash at bank		<u>449,050</u>		<u>446,186</u>	
		10,295,142		8,596,320	
CREDITORS					
Amounts falling due within one year	11	<u>10,026,786</u>		<u>10,824,474</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>268,356</u>		<u>(2,228,154)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			41,703,970		35,993,957
CREDITORS					
Amounts falling due after more than one year	12		(6,088,750)		(6,173,750)
PROVISIONS FOR LIABILITIES	14		<u>(392,124)</u>		<u>(363,524)</u>
NET ASSETS			<u>35,223,096</u>		<u>29,456,683</u>
CAPITAL AND RESERVES					
Called up share capital	15		38,000		38,000
Share premium	16		98,557		98,557
Investment revaluation reserve	16		10,795,415		6,795,415
Profit and loss account	16		<u>24,291,124</u>		<u>22,524,711</u>
SHAREHOLDERS' FUNDS			<u>35,223,096</u>		<u>29,456,683</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2013

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 11 November 2013 and were signed on its behalf by:

L F Small - Director

R G Baum - Director

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)**COMPANY BALANCE SHEET**
31 MARCH 2013

	Notes	31.3.13		31.3.12	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		24,129,928		24,916,425
Investments	8		<u>63,786</u>		<u>63,786</u>
			24,193,714		24,980,211
CURRENT ASSETS					
Stocks		1,444,495		2,589,991	
Debtors	9	7,404,056		4,549,260	
Investments	10	972,263		882,696	
Cash at bank		<u>448,044</u>		<u>438,461</u>	
		10,268,858		8,460,408	
CREDITORS					
Amounts falling due within one year	11	<u>11,179,639</u>		<u>10,967,901</u>	
NET CURRENT LIABILITIES			<u>(910,781)</u>		<u>(2,507,493)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			23,282,933		22,472,718
CREDITORS					
Amounts falling due after more than one year	12		(6,088,750)		(6,173,750)
PROVISIONS FOR LIABILITIES	14		<u>(269,039)</u>		<u>(249,345)</u>
NET ASSETS			<u>16,925,144</u>		<u>16,049,623</u>
CAPITAL AND RESERVES					
Called up share capital	15		38,000		38,000
Share premium	16		98,557		98,557
Investment revaluation reserve	16		2,232,262		2,232,262
Profit and loss account	16		<u>14,556,325</u>		<u>13,680,804</u>
SHAREHOLDERS' FUNDS			<u>16,925,144</u>		<u>16,049,623</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

COMPANY BALANCE SHEET - continued
31 MARCH 2013

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 11 November 2013 and were signed on its behalf by:

L F Small - Director

R G Baum - Director

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

In accordance with the Financial Reporting Standard for Smaller Entities investment properties are stated at valuation which, unlike the Companies Act 2006, does not require depreciation of investment properties.

Investment properties are held for their investment potential and not for use by the company, so their current value is of prime importance. Depreciation of investment properties would not give a true and fair view, as it is one of the many factors reflected in the annual valuation and the depreciation element which might otherwise have been charged to profit and loss account cannot be separately identified or quantified. For these reasons departure from the depreciation requirement of the Companies Act is necessary.

Included within creditors due within one year is a bank loan of £5million repayable on demand. The facility is for review by the bank in February 2014 and the directors have no reason to believe that the facility will not be renewed. The financial statements do not include any adjustments which would be necessary if the facilities are not renewed.

Included within Salaft Properties Investments Limited creditors due within one year are bank loans which were subsequently repaid.

Basis of consolidation

The group accounts consolidate the accounts of Salaft Properties Limited and its subsidiary undertaking, Salaft Property Investments Limited, for the year ended 31 March 2013. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit & loss account from the date of acquisition or up to the date of disposal.

In accordance with the Companies Act 2006, Salaft Properties Limited is exempt from the requirement to produce its own profit & loss account. For the company results of Salaft Properties Ltd see note 6.

Turnover

Turnover is stated net of value added tax and comprises the following:

Rents receivable, excluding service charges and insurance matched with a specific disbursement, recognised as they accrue;

Amounts receivable from property dealing and development via joint arrangements, and property dealing undertaken solely by the company are recognised on sale completion. The amounts paid by the company for property purchases and for expenditure on property development are included in cost of sales.

Property management fees receivable, recognised as they accrue.

Service charges and insurance which are in effect a disbursement are not included in turnover or cost of sales.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - Straight line over 5 years, Straight line over 10 years and Straight line over 4 years

The office building cost has been fully depreciated.

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES - continued

Stocks and property dealing

Stocks comprise the amounts paid or payable by the company for property purchases and for expenditure on property improvements.

Where the company is participating in a property dealing joint arrangement only the agreed contribution to the property costs payable by the company at the balance sheet date are included as cost of stock.

Stocks are valued at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, however deferred tax shall not be recognised on revaluation gains and losses unless, by the balance sheet date the entity has entered into a binding agreement to sell the asset and has revalued the asset to the selling price.

Provision is made at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Income from investments

Investment income comprises dividends declared during the accounting period and interest receivable on listed investments.

Investment properties

Investment properties are shown at their market value and not depreciated.

Surpluses and deficits arising on revaluations are credited and debited to the investment revaluation reserve except where the valuation is below cost and the diminution in value is not expected to be temporary.

Where a property is valued below cost and the diminution below value is not expected to be temporary, the difference between cost and valuation is debited to profit and loss account.

Where a diminution in value below cost has been debited to profit and loss account in an earlier accounting period the treatment of change in the valuation for the current accounting period is as follows:

Where opening and closing valuation is below cost the increase or decrease in value is credited or debited in the profit and loss account.

Where the opening valuation was less than cost but the closing valuation greater than cost, the difference between cost and the opening valuation is credited to profit and loss account and the difference between the closing valuation and cost is credited to the investment revaluation reserve.

Employer financed retirement benefit schemes (EFRBS)

During the previous year the Company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Salaft Properties Limited Decanting EFRBS ("the Scheme").

In accordance with UITF Abstract 32 "Employee Benefit Trusts and other intermediate payment arrangements", the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2013**

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	31.3.13	31.3.12
	£	£
Rents receivable	3,505,028	3,209,940
Property dealing	2,273,782	1,471,431
Other	<u>1,700</u>	<u>1,700</u>
	<u>5,780,510</u>	<u>4,683,071</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.3.13	31.3.12
	£	£
Depreciation - owned assets	2,531	2,752
Profit on disposal of fixed assets	(131,014)	-
Auditors' remuneration	15,220	17,525
Foreign exchange differences	1,274	619
Employer Financed Retirement Benefit Scheme Contribution (included within directors' remuneration below)	<u>-</u>	<u>100</u>
Directors' remuneration and other benefits etc	<u>70,575</u>	<u>68,655</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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DIRECTORS REMUNERATION

During the previous year the Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The Salaft Properties Limited Decanting EFRBS ("the Scheme"). The Scheme contributions made in the previous year amounted to £100 (2013: NIL). Because the value created in the Scheme is held on terms which are discretionary and no earmarking has yet taken place, it is not considered that this amount can be regarded as directors' remuneration and, therefore, it has been excluded from the overall figure above and the remuneration of the highest paid director.

4. PROVISION FOR DIMINUTION IN VALUE

	31.3.13	31.3.12
	£	£
Provision for diminution in value	<u>(4,715)</u>	<u>15,890</u>

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

5. **TAXATION**

Analysis of the tax charge

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

	31.3.13 £	31.3.12 £
Current tax:		
UK corporation tax	457,911	558,395
Corporation tax in respect of earlier years	909	-
Foreign tax on dividends	-	407
Total current tax	<u>458,820</u>	<u>558,802</u>
Deferred tax:		
Deferred tax arising from timing differences	40,298	100,281
Deferred tax arising from timing differences in earlier years	-	15,266
Deferred tax arising from changes in tax rates	<u>(11,698)</u>	<u>(60,586)</u>
Total deferred tax	<u>28,600</u>	<u>54,961</u>
Tax on profit on ordinary activities	<u>487,420</u>	<u>613,763</u>

Unprovided deferred tax:

The company has £234,434 (2012: £355,609) capital losses which may be utilised against future capital gains. These are not recognised in the accounts as a deferred tax asset.

If the land and buildings had been sold at the balance sheet date for the valuation stated, there would have been an additional tax charge in the region of £2,773,000 (2012 £1,984,000) for the group, in respect of the company there would be no additional tax charge.

6. **PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £875,521 (2012 - £944,825).

SALAFT PROPERTIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013****7. TANGIBLE FIXED ASSETS****Group**

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 April 2012	38,376,967	53,535	38,430,502
Additions	16,966	884	17,850
Disposals	(801,816)	-	(801,816)
Revaluations	4,000,000	-	4,000,000
	<u>41,592,117</u>	<u>54,419</u>	<u>41,646,536</u>
At 31 March 2013			
DEPRECIATION			
At 1 April 2012	225,000	47,077	272,077
Charge for year	-	2,531	2,531
	<u>225,000</u>	<u>49,608</u>	<u>274,608</u>
At 31 March 2013			
NET BOOK VALUE			
At 31 March 2013	<u>41,367,117</u>	<u>4,811</u>	<u>41,371,928</u>
At 31 March 2012	<u>38,151,967</u>	<u>6,458</u>	<u>38,158,425</u>

Cost or valuation at 31 March 2013 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2013	41,592,117	-	41,592,117
Cost	<u>-</u>	<u>54,419</u>	<u>54,419</u>
	<u>41,592,117</u>	<u>54,419</u>	<u>41,646,536</u>

If investment properties had not been revalued they would have been included at the following historical cost:

	31.3.13	31.3.12
	£	£
Cost	<u>31,181,995</u>	<u>31,966,845</u>

Investment properties were valued on an open market value basis on 31 March 2013 by the directors.

All of the land and buildings net book value £41,367,117 was in respect of investment properties (2012 £38,151,967).

SALAFT PROPERTIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013****7. TANGIBLE FIXED ASSETS - continued****Company**

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 April 2012	25,134,967	53,535	25,188,502
Additions	16,966	884	17,850
Disposals	(801,816)	-	(801,816)
At 31 March 2013	<u>24,350,117</u>	<u>54,419</u>	<u>24,404,536</u>
DEPRECIATION			
At 1 April 2012	225,000	47,077	272,077
Charge for year	-	2,531	2,531
At 31 March 2013	<u>225,000</u>	<u>49,608</u>	<u>274,608</u>
NET BOOK VALUE			
At 31 March 2013	<u>24,125,117</u>	<u>4,811</u>	<u>24,129,928</u>
At 31 March 2012	<u>24,909,967</u>	<u>6,458</u>	<u>24,916,425</u>

Cost or valuation at 31 March 2013 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2013	<u>24,350,117</u>	<u>54,419</u>	<u>24,404,536</u>

If investment properties had not been revalued they would have been included at the following historical cost:

	31.3.13	31.3.12
	£	£
Cost	<u>22,011,629</u>	<u>22,796,479</u>

Investment properties were valued on an open market value basis on 31 March 2013 by the directors.

All of the land and buildings net book value at 31 March 2013 was in respect of investment properties (2012: £24,909,968).

8. FIXED ASSET INVESTMENTS

The company's fixed asset investment at the balance sheet date comprised 100% of the share capital in the subsidiary Salaft Property Investments Limited.

SALAFI PROPERTIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013****9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.3.13	31.3.12	31.3.13	31.3.12
	£	£	£	£
Trade debtors	156,162	368,061	137,009	240,042
Other debtors	<u>7,273,172</u>	<u>4,309,386</u>	<u>7,267,047</u>	<u>4,309,218</u>
	<u>7,429,334</u>	<u>4,677,447</u>	<u>7,404,056</u>	<u>4,549,260</u>

10. CURRENT ASSET INVESTMENTS

Current asset investments held by the group and the company are represented by listed investments with a cost of £972,263 (2012: £882,696).

The market value of listed investments held by the group and the company at the year end was £1,327,341 (2012: £1,136,709).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.13	31.3.12	31.3.13	31.3.12
	£	£	£	£
Bank loans and overdrafts	8,636,144	9,580,470	5,085,000	5,674,755
Trade creditors	35,365	-	-	-
Amounts owed to group undertakings	-	-	5,233,751	4,556,529
Taxation and social security	182,923	231,116	51,106	93,789
Other creditors	<u>1,172,354</u>	<u>1,012,888</u>	<u>809,782</u>	<u>642,828</u>
	<u>10,026,786</u>	<u>10,824,474</u>	<u>11,179,639</u>	<u>10,967,901</u>

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

	Group		Company	
	31.3.13	31.3.12	31.3.13	31.3.12
	£	£	£	£
Bank loans	<u>6,088,750</u>	<u>6,173,750</u>	<u>6,088,750</u>	<u>6,173,750</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.13	31.3.12	31.3.13	31.3.12
	£	£	£	£
Bank loans	<u>14,724,894</u>	<u>15,754,220</u>	<u>11,173,750</u>	<u>11,848,505</u>

The bank loans have been secured by first legal charge on some of the leasehold and freehold property of the company.

The bank also hold security over freehold property owned by the subsidiary undertaking against monies owed by the company.

SALAFT PROPERTIES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

14. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.13 £	31.3.12 £	31.3.13 £	31.3.12 £
Deferred tax				
Accelerated capital allowances	<u>392,124</u>	<u>363,524</u>	<u>269,039</u>	<u>249,345</u>

Group

				Deferred tax £
Balance at 1 April 2012				363,524
To profit and loss account				<u>28,600</u>
Balance at 31 March 2013				<u>392,124</u>

Company

				Deferred tax £
Balance at 1 April 2012				249,345
To profit and loss account				<u>19,694</u>
Balance at 31 March 2013				<u>269,039</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.13	31.3.12
38,000	Ordinary	£1	£ <u>38,000</u>	£ <u>38,000</u>

16. RESERVES

Group

	Profit and loss account £	Share premium £	Investment revaluation reserve £	Totals £
At 1 April 2012	22,524,711	98,557	6,795,415	29,418,683
Profit for the year	1,766,413			1,766,413
Movement in year	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>4,000,000</u>
At 31 March 2013	<u>24,291,124</u>	<u>98,557</u>	<u>10,795,415</u>	<u>35,185,096</u>

SALAFT PROPERTIES LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013****16. RESERVES - continued****Company**

	Profit and loss account £	Share premium £	Investme- nt revaluat- ion reserve £	Totals £
At 1 April 2012	13,680,804	98,557	2,232,262	16,011,623
Profit for the year	<u>875,521</u>			<u>875,521</u>
At 31 March 2013	<u>14,556,325</u>	<u>98,557</u>	<u>2,232,262</u>	<u>16,887,144</u>

A tax liability does not arise when revaluation amounts are taken to revaluation reserve. A tax liability may or may not arise on the disposal of the assets at a future date, depending on the value realised at that time. For this reason no provision is made in the accounts for a potential future tax liability on disposal. The potential tax liability, had all the revalued assets been disposed at the balance sheet date, at the valuation stated, is given in note 7.

17. CONTINGENT LIABILITIES

A contingent liability exists in respect of a guarantee provided by the company in the ordinary course of business of loans totalling £500,000 from The Salaft Properties Limited EFRBS to The Salaft Properties Limited Decanting EFRBS. The directors are of the opinion that no provision for this amount should be recognised in the financial statements as no transfer of funds to settle this obligation is probable at the year end

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2013 and 31 March 2012:

	31.3.13 £	31.3.12 £
L F Small		
Balance outstanding at start of year	(68)	239,387
Amounts advanced	866,887	120,965
Amounts repaid	(112,887)	(360,420)
Balance outstanding at end of year	<u>753,932</u>	<u>(68)</u>
R G Baum		
Balance outstanding at start of year	352,280	235,551
Amounts advanced	324,260	390,082
Amounts repaid	(393,295)	(273,353)
Balance outstanding at end of year	<u>283,245</u>	<u>352,280</u>
Mrs A S Baum		
Balance outstanding at start of year	4,053	7,331
Amounts advanced	1,989	4,506
Amounts repaid	(4,053)	(7,784)
Balance outstanding at end of year	<u>1,989</u>	<u>4,053</u>

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2013

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Mrs H M Small

Balance outstanding at start of year	(32,958)	(32,958)
Amounts advanced	154,981	115,188
Amounts repaid	(122,023)	(115,188)
Balance outstanding at end of year	<u>-</u>	<u>(32,958)</u>

19. RELATED PARTY DISCLOSURES

The company is controlled by the majority shareholder, L F Small.

At 31 March 2013 the company was owed £753,932 by L F Small (2012 £68 creditor). No interest was charged for the year (2012 £nil). No dividend was paid to LF Small during the year (2012 £Nil).

At 31 March 2013 the company was owed £283,245 by R Baum (2012 £352,280). No interest was charged during the year (2012: £nil). No dividend was paid to R Baum during the year (2012 Nil).

At 31 March 2013 the company was owed £1,989 by A Baum (2012 £4,053). No interest was charged during the year (2012 £nil).

At 31 March 2013 the company was owed £nil by Mrs H Small (2012 £32,958 creditor). No interest was charged during the year (2012 £nil).

The company participates, as a joint arrangement partner, in property dealing activities with other partners, including L F Small and R Baum. Amounts contributed to joint arrangements at the year end is £5,703,264 (2012 £4,642,198). This balance is split between stock and other debtors, depending on the nature of the contribution. The gross profit realised from the property dealing amounted to £425,725 (2012 £79,655) during the year. The activity this year related to one joint arrangement, with the company being a partner in the Titan Property Group partnership. The profit from property dealing and the balance contributed at the year end, all relate to Titan Property Group.

At 31 March 2013 the company owed £20,314 (2012: £17,372) to Radbourne Racing (Wimbledon) Limited a company controlled by Mr L F Small and Mrs H M Small. No interest was charged during the year (£2012:£nil).

At 31 March 2013 the company was owed £422 (2012: £800) by North Central Properties Ltd a company of which R G Baum is a directors. No interest was charged during the year (£2012: £nil).

At 31 March 2013 the company was owed £301,145 (2012: £284,176) by Epsom Property Developments Ltd a company of which L F Small is a director. No interest was charged during the year (£2012: £nil).

At 31 March 2013 the company was owed £3,202 (2012: £2,134,404) by Surbiton Property Developments Ltd a company of which L F Small is a director. No interest was charged during the year (£2012: £nil). At 31 March 2013 £1,045,610 of the loan was waived.

20. POST BALANCE SHEET EVENTS

On 24 April 2013, Ladbroke house, an investment property held by Salaft Property Investments Limited was sold for £16,000,000.

After inclusion of rent due and amounts deducted including a loan redemption of £3,565,863, a balance of £12,242,587 became due to Salaft Property Investments Limited upon sale of the property after the year end.

SALAFT PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

21. ULTIMATE CONTROLLING PARTY

The controlling party is L F Small.