

REGISTERED NUMBER: 00628277 (England and Wales)

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014
FOR
SALAFT PROPERTIES LIMITED

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	6
Consolidated Statement of Total Recognised Gains and Losses	7
Consolidated Balance Sheet	8
Company Balance Sheet	10
Notes to the Consolidated Financial Statements	12

SALAFT PROPERTIES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014

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

SECRETARY: L F Small

REGISTERED OFFICE: Aissela
46 High Street
Esher
Surrey
KT10 9QY

REGISTERED NUMBER: 00628277 (England and Wales)

AUDITORS: Haines Watts
Chartered Accountants
Statutory Auditors
Aissela
46 High Street
Esher
Surrey
KT10 9QY

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

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

FUTURE DEVELOPMENTS

As part of a refinancing of Salaft Properties Ltd Group, since the year end the Company has sold its interest in three commercial properties that were held at 31 March 2014 to its subsidiary Salaft Property Investments Ltd, which has borrowed money from third party lenders against those interests. A £5m existing bank loan of Salaft Properties Ltd that was due for review in February 2015 was repaid, as part of the refinancing arrangements.

No properties have left the Group.

The effect of the refinancing is that the Group now has increased borrowings against the Group's existing investment property portfolio, but now has additional funds available to invest.

The new lenders to Salaft Property Investments Ltd have taken a charge over the Salaft Properties Ltd's shareholding in Salaft Property Investments Ltd, as part of the refinancing arrangements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

L F Small
R G Baum
Mrs A S Baum

Other changes in directors holding office are as follows:

Mrs H M Small - resigned 1 December 2013

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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014

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.

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

Date:

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 2014 on pages six to twenty four. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Daniel Morgan (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditors
Aissela
46 High Street
Esher
Surrey
KT10 9QY

Date:

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	31.3.14		31.3.13	
		£	£	£	£
TURNOVER	2		4,340,048		5,780,510
Cost of sales			2,440,874		2,502,439
			<hr/>		<hr/>
GROSS PROFIT			1,899,174		3,278,071
Administrative expenses			439,259		457,147
			<hr/>		<hr/>
			1,459,915		2,820,924
Other operating income			415,522		131,014
			<hr/>		<hr/>
OPERATING PROFIT	3		1,875,437		2,951,938
Provision for doubtful debts			4,126		(114,540)
Profit/loss on sale of invest			(67,258)		-
			<hr/>		<hr/>
			1,812,305		2,837,398
Income from investments		56,206		42,467	
Interest receivable and similar income		16,752		-	
		<hr/>	72,958	<hr/>	42,467
			<hr/>		<hr/>
			1,885,263		2,879,865
Provision for diminution in value	4		(73,192)		(4,715)
			<hr/>		<hr/>
			1,958,455		2,884,580
Interest payable and similar charges			389,790		630,747
			<hr/>		<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,568,665		2,253,833
Tax on profit on ordinary activities	5		252,101		487,420
			<hr/>		<hr/>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP			<u>1,316,564</u>		<u>1,766,413</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	31.3.14 £	31.3.13 £
PROFIT FOR THE FINANCIAL YEAR	1,316,564	1,766,413
Surplus on revaluation of properties	6,059,586	4,000,000
Tax attributed to revaluation surplus	(3,151,070)	-
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>4,225,080</u>	<u>5,766,413</u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)**CONSOLIDATED BALANCE SHEET
31 MARCH 2014**

		31.3.14		31.3.13	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		31,549,374		41,371,928
Investments	9		63,686		63,686
			<u>31,613,060</u>		<u>41,435,614</u>
CURRENT ASSETS					
Stocks		3,116,023		1,444,495	
Debtors	10	14,550,033		7,429,334	
Investments	11	1,771,213		972,263	
Cash at bank		1,178,479		449,050	
		<u>20,615,748</u>		<u>10,295,142</u>	
CREDITORS					
Amounts falling due within one year	12	12,303,765		10,026,786	
NET CURRENT ASSETS			<u>8,311,983</u>		<u>268,356</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>39,925,043</u>		<u>41,703,970</u>
CREDITORS					
Amounts falling due after more than one year	13		(1,175,000)		(6,088,750)
PROVISIONS FOR LIABILITIES	15		(411,867)		(392,124)
NET ASSETS			<u><u>38,338,176</u></u>		<u><u>35,223,096</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		38,000		38,000
Share premium	17		98,557		98,557
Investment revaluation reserve	17		6,621,496		10,795,415
Profit and loss account	17		31,580,123		24,291,124
SHAREHOLDERS' FUNDS			<u><u>38,338,176</u></u>		<u><u>35,223,096</u></u>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2014

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 and were signed on its behalf by:

.....
L F Small - Director

.....
R G Baum - Director

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)**COMPANY BALANCE SHEET
31 MARCH 2014**

	Notes	31.3.14		31.3.13	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		30,049,374		24,129,928
Investments	9		63,786		63,786
			<hr/>		<hr/>
			30,113,160		24,193,714
CURRENT ASSETS					
Stocks		3,116,023		1,444,495	
Debtors	10	14,549,843		7,404,056	
Investments	11	1,771,213		972,263	
Cash at bank		1,177,479		448,044	
		<hr/>		<hr/>	
		20,614,558		10,268,858	
CREDITORS					
Amounts falling due within one year	12	26,511,390		11,179,639	
		<hr/>		<hr/>	
NET CURRENT LIABILITIES			(5,896,832)		(910,781)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,216,328		23,282,933
CREDITORS					
Amounts falling due after more than one year	13		(1,175,000)		(6,088,750)
PROVISIONS FOR LIABILITIES	15		(295,093)		(269,039)
			<hr/>		<hr/>
NET ASSETS			22,746,235		16,925,144
			<hr/> <hr/>		<hr/> <hr/>
CAPITAL AND RESERVES					
Called up share capital	16		38,000		38,000
Share premium	17		98,557		98,557
Investment revaluation reserve	17		8,033,848		2,232,262
Profit and loss account	17		14,575,830		14,556,325
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			22,746,235		16,925,144
			<hr/> <hr/>		<hr/> <hr/>

The notes form part of these financial statements

SALAFT PROPERTIES LIMITED (REGISTERED NUMBER: 00628277)

COMPANY BALANCE SHEET - continued
31 MARCH 2014

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 17 December 2014 and were signed on its behalf by:

L F Small - Director

R G Baum - Director

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

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 £5 million repayable on demand and another bank loan of £4.85 million falling due for repayment on 29 March 2015. The £5 million facility is for review by the bank in February 2015 and the directors have no reason to believe that either facility will not be renewed. The financial statements do not include any adjustments which would be necessary if the facilities are not renewed.

Please refer to Note 21 (Post Balance Sheet Events) for details of the refinancing that took place after the balance sheet date.

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 2014. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

2. TURNOVER

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

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

	31.3.14	31.3.13
	£	£
Rents receivable	2,669,379	3,505,028
Property dealing	1,670,244	2,273,782
Other	425	1,700
	<u>4,340,048</u>	<u>5,780,510</u>

3. OPERATING PROFIT

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

	31.3.14	31.3.13
	£	£
Depreciation - owned assets	2,373	2,531
Profit on disposal of fixed assets	(415,522)	(131,014)
Auditors' remuneration	15,018	15,220
Foreign exchange differences	7,250	1,274
Employer Financed Retirement Benefit Scheme Contribution	200	-
	<u>236,145</u>	<u>70,575</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

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

	31.3.14	31.3.13
	£	£
Provision for diminution in value	45,582	(4,715)
Deficit on revaluation	(118,774)	-
	<u>(73,192)</u>	<u>(4,715)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

5. TAXATION

Analysis of the tax charge

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

	31.3.14 £	31.3.13 £
Current tax:		
UK corporation tax	3,384,200	457,911
No description	(3,151,070)	-
Corporation tax in respect of earlier years	(772)	909
	<u>232,358</u>	<u>458,820</u>
Total current tax		
Deferred tax:		
Deferred tax arising from timing differences	50,089	40,298
Deferred tax arising from changes in tax rates	(30,346)	(11,698)
	<u>19,743</u>	<u>28,600</u>
Total deferred tax		
	<u>252,101</u>	<u>487,420</u>
Tax on profit on ordinary activities		

Unprovided deferred tax:

If the land and buildings had been sold at the balance sheet date for the valuation stated, there would not have been an additional tax charge (2013: £Nil).

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 £1,129,505 (2013 - £875,521).

7. DIVIDENDS

	31.3.14 £	31.3.13 £
Interim	<u>1,110,000</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

8. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 April 2013	41,592,117	54,419	41,646,536
Additions	-	1,459	1,459
Disposals	(16,000,000)	-	(16,000,000)
Revaluations	6,178,360	-	6,178,360
	<hr/>	<hr/>	<hr/>
At 31 March 2014	31,770,477	55,878	31,826,355
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2013	225,000	49,608	274,608
Charge for year	-	2,373	2,373
	<hr/>	<hr/>	<hr/>
At 31 March 2014	225,000	51,981	276,981
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2014	31,545,477	3,897	31,549,374
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	41,367,117	4,811	41,371,928
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cost or valuation at 31 March 2014 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2014	31,545,477	55,878	31,601,355
Cost	225,000	-	225,000
	<hr/>	<hr/>	<hr/>
	31,770,477	55,878	31,826,355
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	31.3.14	31.3.13
	£	£
Cost	25,415,500	31,181,995
	<hr/> <hr/>	<hr/> <hr/>

Investment properties were valued on an open market value basis on 31 March 2014 by the directors.

All of the land and buildings net book value £31,545,477 was in respect of investment properties (2013 £41,367,117)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

8. TANGIBLE FIXED ASSETS - continued

Company

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 April 2013	24,350,117	54,419	24,404,536
Additions	-	1,459	1,459
Revaluations	5,920,360	-	5,920,360
	<hr/>	<hr/>	<hr/>
At 31 March 2014	30,270,477	55,878	30,326,355
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2013	225,000	49,608	274,608
Charge for year	-	2,373	2,373
	<hr/>	<hr/>	<hr/>
At 31 March 2014	225,000	51,981	276,981
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2014	30,045,477	3,897	30,049,374
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2013	24,125,117	4,811	24,129,928
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cost or valuation at 31 March 2014 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2014	30,045,477	-	30,045,477
Cost	225,000	55,878	280,878
	<hr/>	<hr/>	<hr/>
	30,270,477	55,878	30,326,355
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	31.3.14	31.3.13
	£	£
Cost	22,011,629	22,011,629
	<hr/> <hr/>	<hr/> <hr/>

Investment properties were valued on an open market value basis on 31 March 2014 by the directors.

All of the land and buildings net book value at 31 March 2014 was in respect of investment properties £30,045,477 (2013: £24,125,117).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

9. FIXED ASSET INVESTMENTS

Group

	Shares in group undertak- ings £	Unlisted investme- nts £	Totals £
COST			
At 1 April 2013 and 31 March 2014	100	63,586	63,686
NET BOOK VALUE			
At 31 March 2014	100	63,586	63,686
At 31 March 2013	100	63,586	63,686

Company

	Shares in group undertak- ings £	Unlisted investme- nts £	Totals £
COST			
At 1 April 2013 and 31 March 2014	100	63,686	63,786
NET BOOK VALUE			
At 31 March 2014	100	63,686	63,786
At 31 March 2013	100	63,686	63,786

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiary

Salaft Property Investments Limited

Nature of business: Property investment

	% holding		
Class of shares:			
Ordinary shares	100.00	31.3.14 £	31.3.13 £
Aggregate capital and reserves		15,592,041	18,298,050
Profit for the year		187,061	890,891

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Trade debtors	56,311	156,162	56,311	137,009
Other debtors	14,493,722	7,273,172	14,493,532	7,267,047
	<u>14,550,033</u>	<u>7,429,334</u>	<u>14,549,843</u>	<u>7,404,056</u>

11. CURRENT ASSET INVESTMENTS

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Listed investments	<u>1,771,213</u>	<u>972,263</u>	<u>1,771,213</u>	<u>972,263</u>

Market value of listed investments at 31 March 2014 held by the group and the company - £2,108,898

Current asset investments held by the group and the company are represented by listed investments with a cost of £1,771,213 (2013: £972,263).

The market value of listed investments held by the group and the company at the year end was £2,108,898 (2013: £1,327,341).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Bank loans and overdrafts	9,935,000	8,636,144	9,935,000	5,085,000
Trade creditors	6,966	35,365	6,967	-
Amounts owed to group undertakings	-	-	15,920,631	5,233,751
Taxation and social security	1,650,426	182,923	11,745	51,106
Other creditors	711,373	1,172,354	637,047	809,782
	<u>12,303,765</u>	<u>10,026,786</u>	<u>26,511,390</u>	<u>11,179,639</u>

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

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Bank loans	<u>1,175,000</u>	<u>6,088,750</u>	<u>1,175,000</u>	<u>6,088,750</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

14. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Bank loans	11,110,000	14,724,894	11,110,000	11,173,750

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.

15. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.3.14	31.3.13	31.3.14	31.3.13
	£	£	£	£
Deferred tax				
Accelerated capital allowances	411,867	392,124	295,093	269,039

Group

	Deferred tax
	£
Balance at 1 April 2013	392,124
Credit to Profit and Loss Account during year	(6,311)
To profit and loss account	26,054
Balance at 31 March 2014	411,867

Company

	Deferred tax
	£
Balance at 1 April 2013	269,039
To profit and loss account	26,054
Balance at 31 March 2014	295,093

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.14	31.3.13
			£	£
38,000	Ordinary	£1	38,000	38,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

17. RESERVES

Group

	Profit and loss account £	Share premium £	Investme- nt revaluat- ion reserve £	Totals £
At 1 April 2013	24,291,124	98,557	10,795,415	35,185,096
Profit for the year	1,316,564			1,316,564
Dividends	(1,110,000)			(1,110,000)
Tax attributed to revaluation surplus realised on sale of investment property	-	-	(3,151,070)	(3,151,070)
Net revaluation surplus realised on sale of investment property	7,082,435	-	(7,082,435)	-
Surplus on revaluation of investment properties	-	-	6,059,586	6,059,586
	<u>31,580,123</u>	<u>98,557</u>	<u>6,621,496</u>	<u>38,300,176</u>
At 31 March 2014	<u>31,580,123</u>	<u>98,557</u>	<u>6,621,496</u>	<u>38,300,176</u>

Company

	Profit and loss account £	Share premium £	Investme- nt revaluat- ion reserve £	Totals £
At 1 April 2013	14,556,325	98,557	2,232,262	16,887,144
Profit for the year	1,129,505			1,129,505
Dividends	(1,110,000)			(1,110,000)
Surplus on revaluation of investment properties	-	-	5,801,586	5,801,586
	<u>14,575,830</u>	<u>98,557</u>	<u>8,033,848</u>	<u>22,708,235</u>
At 31 March 2014	<u>14,575,830</u>	<u>98,557</u>	<u>8,033,848</u>	<u>22,708,235</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.

18. 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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 March 2014 and 31 March 2013:

	31.3.14	31.3.13
	£	£
L F Small		
Balance outstanding at start of year	753,932	(68)
Amounts advanced	2,429,135	866,887
Amounts repaid	(837,685)	(112,887)
Balance outstanding at end of year	<u>2,345,382</u>	<u>753,932</u>
R G Baum		
Balance outstanding at start of year	283,245	352,280
Amounts advanced	339,744	324,260
Amounts repaid	(478,640)	(393,295)
Balance outstanding at end of year	<u>144,349</u>	<u>283,245</u>
Mrs A S Baum		
Balance outstanding at start of year	1,989	4,053
Amounts advanced	10,744	1,989
Amounts repaid	(8,418)	(4,053)
Balance outstanding at end of year	<u>4,315</u>	<u>1,989</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

20. RELATED PARTY DISCLOSURES

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

At 31 March 2014 the company was owed £2,345,382 by L F Small (2013 £753,932). No interest was charged for the year (2013 £nil). A dividend of £759,474 was paid to LF Small during the year (2013 £Nil).

At 31 March 2014 the company was owed £144,349 by R Baum (2013 £283,245). No interest was charged during the year (2013: £nil). A dividend of £350,526 was paid to R Baum during the year (2013 Nil).

At 31 March 2014 the company was owed £4,315 by A Baum (2013 £1,989). No interest was charged during the year (2013 £nil).

At 31 March 2014 the company was owed £2,848 by Mrs H Small (2013 £Nil). No interest was charged during the year (2013 £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 £13,046,168 (2013 £5,703,264). 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 £708,884 (2013 £425,725) 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 2014 the company owed £27,150 (2013: £20,314) 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 (2013:£nil).

At 31 March 2014 the company was owed £278 (2013: £422) by North Central Properties Ltd a company of which R G Baum is a directors. No interest was charged during the year (2013: £nil).

At 31 March 2014 the company was owed £317,325 (2013: £301,145) by Epsom Property Developments Ltd a company of which L F Small is a director. No interest was charged during the year (2013: £nil).

At 31 March 2014 the company was owed £Nil (2013: £3,202) by Surbiton Property Developments Ltd a company of which L F Small is a director. No interest was charged during the year (2013: £nil). At 31 March 2013 £1,045,610 of the loan was waived.

On 15th July 2013, the Company contracted to purchase trust interests in possession from Russell Gavin Baum and Lincoln Fraser Small respectively, both ultimate shareholders of the Company, for consideration of £1,950,000 in total, payable on completion of the agreements. The agreements are due to complete in three equal annual instalments, the first completion date being 1st March 2014, under both agreements. The directors consider that these were arm's length transactions made at market value.

During the year, the Company resolved to defer completion of the contracts and therefore the agreements are due to complete in three equal annual instalments, the first completion date being 1st March 2015, under both agreements.

21. ULTIMATE CONTROLLING PARTY

The controlling party is L F Small.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014

22. POST BALANCE SHEET EVENTS

As part of a refinancing of Salaft Properties Ltd Group, since the year end the Company has sold its interest in three commercial properties that were held at 31 March 2014 to its subsidiary Salaft Property Investments Ltd, which has borrowed money from third party lenders against those interests. A £5m existing bank loan of Salaft Properties Ltd that was due for review in February 2015 was repaid, as part of the refinancing arrangements.

No properties have left the Group.

The effect of the refinancing is that the Group now has increased borrowings against the Group's existing investment property portfolio, but now has additional funds available to invest.

The new lenders to Salaft Property Investments Ltd have taken a charge over the Salaft Properties Ltd's shareholding in Salaft Property Investments Ltd, as part of the refinancing arrangements.