

**REPORT OF THE DIRECTORS AND**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**  
**FOR**  
**SALAFT PROPERTIES LIMITED**

**SALAFT PROPERTIES LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2012**

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**SALAFT PROPERTIES LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2012**

**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 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012.

#### **PRINCIPAL ACTIVITIES**

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

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 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.

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

19 December 2012

## **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 2012 on pages five to twenty. 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 2012 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

19 December 2012

**SALAFT PROPERTIES LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	31.3.12 £	£	31.3.11 £	£
<b>TURNOVER</b>	2		4,683,071		4,855,874
Cost of sales			1,852,607		1,614,891
<b>GROSS PROFIT</b>			2,830,464		3,240,983
Administrative expenses			370,543		1,004,479
<b>OPERATING PROFIT</b>	3		2,459,921		2,236,504
Provision for doubtful debts			548,713		-
			3,008,634		2,236,504
Income from investments		37,427		25,832	
Interest receivable and similar income		53		283	
			37,480		26,115
			3,046,114		2,262,619
Provision for diminution in value	4		15,890		(17,625)
			3,030,224		2,280,244
Interest payable and similar charges			608,813		529,529
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			2,421,411		1,750,715
Tax on profit on ordinary activities	5		613,763		488,246
<b>PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP</b>			1,807,648		1,262,469

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 2012**

	31.3.12 £	31.3.11 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,807,648	1,262,469
Surplus / (Deficit) on revaluation of properties credited / (debited) to revaluation reserve	(1,760,353)	(2,493,165)
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u>47,295</u>	<u>(1,230,696)</u>

The notes form part of these financial statements



**SALAFT PROPERTIES LIMITED****CONSOLIDATED BALANCE SHEET  
31 MARCH 2012**

	Notes	31.3.12		31.3.11	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		38,158,425		37,125,694
Investments	8		63,686		-
			<u>38,222,111</u>		<u>37,125,694</u>
<b>CURRENT ASSETS</b>					
Stocks		2,589,991		2,235,752	
Debtors	9	4,677,447		3,644,025	
Investments	10	882,696		766,021	
Cash at bank		446,186		1,951,190	
		<u>8,596,320</u>		<u>8,596,988</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	10,824,474		6,661,289	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(2,228,154)</u>		<u>1,935,699</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			35,993,957		39,061,393
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(6,173,750)		(9,343,442)
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>(363,524)</u>		<u>(308,563)</u>
<b>NET ASSETS</b>			<u>29,456,683</u>		<u>29,409,388</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		38,000		38,000
Share premium	16		98,557		98,557
Investment revaluation reserve	16		6,795,415		8,555,768
Profit and loss account	16		22,524,711		20,717,063
<b>SHAREHOLDERS' FUNDS</b>			<u>29,456,683</u>		<u>29,409,388</u>

The notes form part of these financial statements

**SALAFT PROPERTIES LIMITED**

**CONSOLIDATED BALANCE SHEET - continued**

**31 MARCH 2012**

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 19 December 2012 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****COMPANY BALANCE SHEET  
31 MARCH 2012**

	Notes	31.3.12		31.3.11	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		24,916,425		22,213,342
Investments	8		63,786		100
			<u>24,980,211</u>		<u>22,213,442</u>
<b>CURRENT ASSETS</b>					
Stocks		2,589,991		2,235,752	
Debtors	9	4,549,260		3,642,131	
Investments	10	882,696		766,021	
Cash at bank		438,461		1,942,753	
		<u>8,460,408</u>		<u>8,586,657</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	10,967,901		9,967,087	
<b>NET CURRENT LIABILITIES</b>			<u>(2,507,493)</u>		<u>(1,380,430)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,472,718		20,833,012
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		(6,173,750)		(5,439,755)
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>(249,345)</u>		<u>(198,459)</u>
<b>NET ASSETS</b>			<u>16,049,623</u>		<u>15,194,798</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		38,000		38,000
Share premium	16		98,557		98,557
Investment revaluation reserve	16		2,232,262		2,322,262
Profit and loss account	16		13,680,804		12,735,979
<b>SHAREHOLDERS' FUNDS</b>			<u>16,049,623</u>		<u>15,194,798</u>

The notes form part of these financial statements

**SALAFT PROPERTIES LIMITED**

**COMPANY BALANCE SHEET - continued**

**31 MARCH 2012**

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 19 December 2012 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 2012**

#### **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 Salaft Properties Limited creditors due within one year is a bank loan of £5million repayable on demand. The directors are currently discussing the renewal of the facility with the bank 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 facility was not renewed.

Salaft Properties Investments Limited has bank loans due for repayment within the following financial year, which the directors are confident will be met by securing new loans.

##### **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 2012. 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

Buildings that are not held for their investment potential are depreciated.

The office building cost is being depreciated on a straight line basis over 10 years.

## **SALAFT PROPERTIES LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 MARCH 2012**

#### **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 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 2012**

#### **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:

	31.3.12	31.3.11
	£	£
Rents receivable	3,209,940	2,918,435
Property dealing	1,471,431	1,935,739
Other	1,700	1,700
	<u>4,683,071</u>	<u>4,855,874</u>

#### **3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.12	31.3.11
	£	£
Depreciation - owned assets	2,752	70,157
Auditors' remuneration	17,525	13,100
Foreign exchange differences	619	1,414
Employer Financed Retirement Benefit Scheme Contribution (included within directors' remuneration below)	<u>100</u>	<u>500,200</u>
Directors' remuneration and other benefits etc	<u>68,655</u>	<u>563,860</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 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 during the year amounted to £100. 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.

During the year ended 31 March 2011 the Company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefits of the Company's officers, employees and their wider families, The Salaft Properties Limited Employer Financed Retirement Benefit Scheme ("the Scheme"). The contributions relating to the scheme is given in note 3 above.

#### **4. PROVISION FOR DIMINUTION IN VALUE**

	31.3.12	31.3.11
	£	£
Provision for diminution in value	<u>15,890</u>	<u>(17,625)</u>

**SALAFT PROPERTIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012**

**5. TAXATION**

**Analysis of the tax charge**

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

	31.3.12	31.3.11
	£	£
Current tax:		
UK corporation tax	558,395	442,550
Corporation tax in respect of earlier years	-	(135,884)
Foreign tax on dividends	407	83
Total current tax	<u>558,802</u>	<u>306,749</u>
Deferred tax:		
Deferred tax arising from timing differences	100,281	53,765
Deferred tax arising from timing differences in earlier years	15,266	127,732
Deferred tax arising from changes in tax rates	(60,586)	-
Total deferred tax	<u>54,961</u>	<u>181,497</u>
Tax on profit on ordinary activities	<u><u>613,763</u></u>	<u><u>488,246</u></u>

Unprovided deferred tax:

The company has £355,609 (2011: £255,756) 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 £1,984,000 (2011 £2,625,000), 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 £944,825 (2011 - £485,506).



**SALAFT PROPERTIES LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012****7. TANGIBLE FIXED ASSETS****Group**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 April 2011	37,341,915	53,105	37,395,020
Additions	2,795,405	430	2,795,835
Revaluations	(1,760,353)	-	(1,760,353)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	38,376,967	53,535	38,430,502
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 April 2011	225,000	44,325	269,325
Charge for year	-	2,752	2,752
	<hr/>	<hr/>	<hr/>
At 31 March 2012	225,000	47,077	272,077
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 March 2012	38,151,967	6,458	38,158,425
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2011	37,116,915	8,780	37,125,695
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cost or valuation at 31 March 2012 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2012	38,376,967	-	38,376,967
Cost	-	53,535	53,535
	<hr/>	<hr/>	<hr/>
	38,376,967	53,535	38,430,502
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	31.3.12	31.3.11
	£	£
Cost	31,966,845	29,171,010
	<hr/> <hr/>	<hr/> <hr/>

Investment properties were valued on an open market value basis on 31 March 2011 by the directors.

All of the land and buildings net book value £38,151,967 was in respect of investment properties (2011 £36,315,099)

**SALAFT PROPERTIES LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012****7. TANGIBLE FIXED ASSETS - continued****Company**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST OR VALUATION</b>			
At 1 April 2011	22,429,562	53,105	22,482,667
Additions	2,795,405	430	2,795,835
Revaluations	(90,000)	-	(90,000)
At 31 March 2012	25,134,967	53,535	25,188,502
<b>DEPRECIATION</b>			
At 1 April 2011	225,000	44,325	269,325
Charge for year	-	2,752	2,752
At 31 March 2012	225,000	47,077	272,077
<b>NET BOOK VALUE</b>			
At 31 March 2012	24,909,967	6,458	24,916,425
At 31 March 2011	22,204,562	8,780	22,213,342

Cost or valuation at 31 March 2012 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2012	25,134,967	-	25,134,967
Cost	-	53,535	53,535
	25,134,967	53,535	25,188,502

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

	31.3.12	31.3.11
	£	£
Cost	22,796,479	20,001,074

Investment properties were valued on an open market value basis on 31 March 2012 by the directors.

All of the land and buildings net book value at 31 March 2012 was in respect of investment properties (2011: £21,402,746)

**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.

**SALAFT PROPERTIES LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012****9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Trade debtors	368,061	45,508	240,042	43,896
Other debtors	4,309,386	3,598,517	4,309,218	3,598,235
	<u>4,677,447</u>	<u>3,644,025</u>	<u>4,549,260</u>	<u>3,642,131</u>

**10. CURRENT ASSET INVESTMENTS**

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Listed investments	<u>882,696</u>	<u>766,021</u>	<u>882,696</u>	<u>766,021</u>

Market value of listed investments at 31 March 2012 held by the group and the company - £1,136,709

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

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Bank loans and overdrafts	9,580,470	5,384,735	5,674,755	5,037,476
Trade creditors	-	49,877	-	-
Amounts owed to group undertakings	-	-	4,556,529	4,111,803
Taxation and social security	231,116	154,237	93,789	112,462
Other creditors	1,012,888	1,072,440	642,828	705,346
	<u>10,824,474</u>	<u>6,661,289</u>	<u>10,967,901</u>	<u>9,967,087</u>

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

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Bank loans	<u>6,173,750</u>	<u>9,343,442</u>	<u>6,173,750</u>	<u>5,439,755</u>

**SALAFT PROPERTIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012**

**13. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Bank loans	<u>15,754,220</u>	<u>14,728,177</u>	<u>11,848,505</u>	<u>10,477,231</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.

**14. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	31.3.12	31.3.11	31.3.12	31.3.11
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>363,524</u>	<u>308,563</u>	<u>249,345</u>	<u>198,459</u>

**Group**

	Deferred tax
	£
Balance at 1 April 2011	308,563
To profit and loss account	54,961
Balance at 31 March 2012	<u>363,524</u>

**Company**

	Deferred tax
	£
Balance at 1 April 2011	198,459
To profit and loss account	50,886
Balance at 31 March 2012	<u>249,345</u>

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.12	31.3.11
			£	£
38,000	Ordinary	£1	<u>38,000</u>	<u>38,000</u>

**SALAFT PROPERTIES LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2012****16. RESERVES****Group**

	Profit and loss account £	Share premium £	Investme- nt revaluat- ion reserve £	Totals £
At 1 April 2011	20,717,063	98,557	8,555,768	29,371,388
Profit for the year	1,807,648			1,807,648
Movement in year	-	-	(1,760,353)	(1,760,353)
At 31 March 2012	<u>22,524,711</u>	<u>98,557</u>	<u>6,795,415</u>	<u>29,418,683</u>

**Company**

	Profit and loss account £	Share premium £	Investme- nt revaluat- ion reserve £	Totals £
At 1 April 2011	12,735,979	98,557	2,322,262	15,156,798
Profit for the year	944,825			944,825
Movement in year	-	-	(90,000)	(90,000)
At 31 March 2012	<u>13,680,804</u>	<u>98,557</u>	<u>2,232,262</u>	<u>16,011,623</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 6.

**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. TRANSACTIONS WITH DIRECTORS**

The following loans to directors subsisted during the years ended 31 March 2012 and 31 March 2011:

	31.3.12 £	31.3.11 £
<b>L F Small</b>		
Balance outstanding at start of year	239,387	94,735
Amounts advanced	120,965	306,641
Amounts repaid	(360,420)	(161,989)
Balance outstanding at end of year	<u>(68)</u>	<u>239,387</u>

**SALAFT PROPERTIES LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2012**

18. **TRANSACTIONS WITH DIRECTORS - continued**

**R G Baum**

Balance outstanding at start of year	235,551	717,683
Amounts advanced	390,082	273,540
Amounts repaid	(273,353)	(755,672)
Balance outstanding at end of year	<u>352,280</u>	<u>235,551</u>

**Mrs A S Baum**

Balance outstanding at start of year	7,331	3,694
Amounts advanced	4,506	7,857
Amounts repaid	(7,784)	(4,220)
Balance outstanding at end of year	<u>4,053</u>	<u>7,331</u>

19. **RELATED PARTY DISCLOSURES**

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

At 31 March 2012 the company was owed £68 to L F Small (2011 was owed £239,387). No interest was charged for the year (2011: £nil). No dividend was paid to L F Small during the year (2011: £nil).

At 31 March 2012 the company was owed £352,280 by R Baum (2011 £235,551). No interest was charged during the year (2011: £nil). No dividend was paid to R Baum during the year (2011 Nil).

At 31 March 2012 the company was owed £4,053 by A Baum (2011 £7,331). No interest was charged during the year (2011: £nil).

At 31 March 2012 the company owed Mrs H Small £32,958 (2011 £32,958). No interest was charged during the year (2011: £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 £4,642,198 (2011 £4,068,554). 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 £79,655 (2011 £390,289) 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 2012 the company owed £17,372 (2011: £7,657) 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 (£2011: £nil).

At 31 March 2012 the company was owed £800 (2011: £87,738) from North Central Properties Ltd a company in which R G Baum are directors. No interest was charged during the year (£2011: £nil).

At 31 March 2012 the company was owed £284,176 (2011: £228,720) from Epsom Property Developments Ltd a company in which L F Small is a director. No interest was charged during the year (£2010: £nil).

At 31 March 2012 the company was owed £1,203,334 (2011: £581,952) from Surbiton Property Developments Ltd a company in which L F Small is a director. No interest was charged during the year (£2011: £nil).