

Ashley House plc

Shares

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Ashley House to move up in the world

by: Simon Keane

Ofex company **Ashley House** is set to move to AIM in a bid to step-up its expansion plans. The company designs and builds GP surgeries.

In anticipation of more developments it plans to open a Northern office. Management at the £13.7 million company believes raising larger sums of money will be easier on AIM.

Ashley completed eight properties last year. Joint chief executive Steve Minion says the number will at least double in the current period.

The government, which effectively funds local surgeries, is driving this he says: 'About

80% of the NHS budget is spent on primary care trusts and it is cheaper for them to provide the service in the community at GP surgeries or local hospitals.'

GPs fund the construction of their own surgeries although they are essentially government-backed. Typically an investment company will put up the capital to build a new surgery which the GP will then lease back.

The rent is then covered by the local primary care trust. The past year has seen Ashley move from loss into profit. At last month's finals it produced a post-tax profit of £716,000

compared with a loss of £466,000 in 2004.

The company was admitted to Ofex in November 2000. A date is yet to be set for the move to AIM although it will be in the next 12 months.

Finance director Bruce Walker says: 'It will give us the ability, should we need it, to raise a lot more money.' He says the junior market gives access to a bigger pool of institutional backers.

Walker believes a higher investor profile will be achieved on the junior market which will also help propel the share price: 'The business is undervalued.'