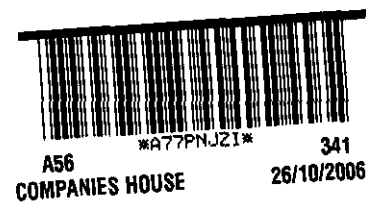


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BAKTER GATE PROPERTIES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

**N J FREEMAN LTD.
CHARTERED CERTIFIED ACCOUNTANTS**



BAXTER GATE PROPERTIES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

DIRECTORS

Mr P A Collin
Mr C A Collin
Mr D G Putt
Mr J A Divine
Miss L A Revill
Miss C E Brannon
Mr R D Fletcher

SECRETARY

Mr P A Collin

REGISTERED OFFICE

45 Baxter Gate
Loughborough
Leicestershire
LE11 1TQ

COMPANY NUMBER

0002258

ACCOUNTANTS

N J Freeman Ltd.
Chartered Certified Accountants
1 Beacon Drive
Loughborough
Leicestershire
LE11 2BD

BANKERS

Barclays Bank PLC
3 Market Street
Loughborough
Leicestershire
LE11 3EA

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1 - 2	Directors' Report
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6 - 10	Notes to the Accounts

The following do not form part of the statutory financial statements:

11	Trading, Profit and Loss Account
12	Accountants' Certificate

BAKTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of property letting.

RESULTS AND DIVIDENDS

The results of the company for the year are shown in the profit and loss account on page 3. The directors do not recommend the payment of a dividend and that the retained profit for the year be added to reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

There were no significant changes in the company's trading position for the current year.

DIRECTORS

The directors who served the company during the year together with their beneficial interests (including family interests) in the shares of the company at the beginning and end of the year were as follows:-

	<u>Ordinary shares of 50p each</u>	
	<u>31 December 2005</u>	<u>1 January 2005</u>
Mr P A Collin	632	632
Mr C A Collin	109	109
Mr D G Putt	175	175
Mr J A Divine	5	5
Mrs L A Revill	5	5
Miss C E Brannon	5	5
Mr R D Fletcher	36	36

BAXTER GATE PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

In accordance with the Articles of Association, Mr R D Fletcher and Mr J A Divine retire by rotation and offer themselves for re-election.

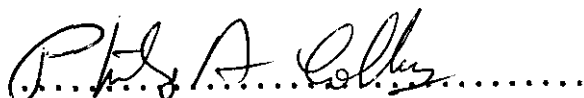
FIXED ASSETS

Movements in the fixed assets are shown in the notes to the accounts.

LAND AND BUILDINGS

In the opinion of the directors, there is no material difference between the current open market value and the value at which the company's investment properties are stated in the accounts as at 31 December 2005.

Approved by the Board of Directors and signed on its behalf by:-



Mr P A Collin
Secretary

Date: 24 October 2006

BAXTER GATE PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	2005	2004
TURNOVER		13,346	9,763
Administrative expenses		(7,142)	(4,915)
		<hr/>	<hr/>
OPERATING PROFIT		6,204	4,848
Interest received	3	123	67
Other operating income		250	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	6,577	4,915
Tax on profit on ordinary activities	5	395	(88)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		£ 6,182	£ 5,003
		<hr/>	<hr/>

The notes on pages 6 to 10 form part of these accounts.

BAXTER GATE PROPERTIES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2005**

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
FIXED ASSETS			
Tangible fixed assets	6	258,405	258,489
CURRENT ASSETS			
Debtors	7	321	7,359
Cash at bank and in hand		31,708	19,492
		<u>32,029</u>	<u>26,851</u>
CREDITORS , amounts falling due within one year	8	<u>(6,705)</u>	<u>(7,793)</u>
NET CURRENT ASSETS		<u>25,324</u>	<u>19,058</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>283,729</u>	<u>277,547</u>
NET ASSETS		<u>£ 283,729</u>	<u>£ 277,547</u>
CAPITAL AND RESERVES			
Called up share capital	9	727	727
Revaluation reserve	10	189,950	189,950
Capital Redemption Reserve	11	671	671
Profit and loss account	12	92,381	86,199
EQUITY SHAREHOLDERS' FUNDS		<u>£ 283,729</u>	<u>£ 277,547</u>

BAXTER GATE PROPERTIES LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2005**

For the year ending 31 December 2005 the company was entitled to exemption from an audit of the accounts under section 249A(1) of the Companies Act 1985.

No notice has been deposited requesting an audit of the accounts for the financial year under section 249B(2) of the Act.

We acknowledge our responsibilities as directors for:

- (1) ensuring that the company keeps accounting records which comply with section 221 of the Act; and
- (2) preparing accounts which give a true and fair view of the company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as are applicable to the company.

The Accounts were approved by the Board of Directors and signed on its behalf by:-

.....

Mr P A Collin
Director

Date: 24 October 2006

The notes on pages 6 to 10 form part of these accounts.

BAXTER GATE PROPERTIES LIMITED

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2005**

1. ACCOUNTING POLICIES

The company has adopted the following accounting policies within these accounts which have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2005):-

1.a Tangible fixed assets and depreciation.

Fixed assets other than investment properties are stated at cost less depreciation.

Depreciation is provided to write off the cost less estimated residual value of each asset at the following rates:-

	<u>2005</u>	<u>2004</u>
Plant and equipment Straight line basis	10%	10%
Fixtures and fittings Straight line basis	10%	10%

Investment properties are held for their investment potential and are therefore not subject to depreciation charges. They are included in the balance sheet at their current open market value.

1.b Turnover.

Turnover represents the rents derived from the investment properties and are calculated on an accruals basis.

1.c Deferred taxation.

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for taxation, using the liability method, is made to the extent that it is probable that a liability will crystallise in the foreseeable future.

BAXTER GATE PROPERTIES LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)**
YEAR ENDED 31 DECEMBER 2005**2. DIRECTORS AND EMPLOYEES**

	2005	2004
Staff costs:-		
Wages and salaries	<u>£ -</u>	<u>£ 2,450</u>

The average weekly number of persons, including directors, employed during the year was:-

	2005	2004
Administrative	<u>7</u>	<u>7</u>

Directors' emoluments

	2005	2004
Fees	<u>£ -</u>	<u>£ 2,450</u>

3. INTEREST RECEIVED

	2005	2004
Bank & building society interest receivable	63	67
Other interest receivable	<u>60</u>	<u>-</u>
	<u>123</u>	<u>67</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2005	2004
Profit on ordinary activities before tax is stated after charging:		
Depreciation	<u>84</u>	<u>84</u>

BAXTER GATE PROPERTIES LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)**
YEAR ENDED 31 DECEMBER 2005**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The charge/(refund) for tax is made up as follows:

	<u>2005</u>	<u>2004</u>
Current year:		
U.K. Corporation tax at 0-23.75%	395	-
S419 tax	-	(88)
	<u>£ 395</u>	<u>£ (88)</u>

6. TANGIBLE FIXED ASSETS

	<u>Investment Properties</u>	<u>Office Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	£	£	£	£
COST/VALUATION:				
At 1 January 2005	258,388	109	3,814	262,311
At 31 December 2005	<u>258,388</u>	<u>109</u>	<u>3,814</u>	<u>262,311</u>
DEPRECIATION:				
At 1 January 2005	-	108	3,714	3,822
Charge for the year	-	-	84	84
At 31 December 2005	<u>-</u>	<u>108</u>	<u>3,798</u>	<u>3,906</u>
NET BOOK VALUE:				
31 December 2005	<u>£ 258,388</u>	<u>£ 1</u>	<u>£ 16</u>	<u>£ 258,405</u>
31 December 2004	<u>£ 258,388</u>	<u>£ 1</u>	<u>£ 100</u>	<u>£ 258,489</u>

Investment properties:-

	<u>2005</u>	<u>2004</u>
Freehold land and buildings	<u>£ 258,388</u>	<u>£ 258,388</u>

BAXTER GATE PROPERTIES LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)**
YEAR ENDED 31 DECEMBER 2005**6. TANGIBLE FIXED ASSETS (CONTINUED)**

Freehold land and buildings at valuation:	2005	2004
Valuation (1991)	195,000	195,000
Improvements (cost - 1997)	49,975	49,975
Improvements (cost - 1998)	1,130	1,130
Improvements (cost - 1999)	5,233	5,233
Improvements (cost - 2000)	7,050	7,050
	<u>£ 258,388</u>	<u>£ 258,388</u>

Freehold land and buildings at historical cost:

Cost	<u>£ 72,348</u>	<u>£ 72,348</u>
------	-----------------	-----------------

7. DEBTORS

	2005	2004
Rents receivable	-	604
Corporation tax refundable	-	1,160
Other debtors & prepayments	321	5,595
	<u>£ 321</u>	<u>£ 7,359</u>

8. CREDITORS: amounts falling due within one year

	2005	2004
U.K. Corporation tax	395	-
Other taxes and social security	361	385
Payments received on account	85	3,150
Directors' loan account	5,021	33
Other creditors & accruals	843	4,225
	<u>£ 6,705</u>	<u>£ 7,793</u>

BAXTER GATE PROPERTIES LIMITED**NOTES TO THE ACCOUNTS (CONTINUED)**
YEAR ENDED 31 DECEMBER 2005

9. CALLED UP SHARE CAPITAL		2005	2004
Authorized:			
6,000 ordinary shares of 50p each		<u>£ 3,000</u>	<u>£ 3,000</u>
Allotted, called up and fully paid:			
1,453 ordinary shares of 50p each		<u>£ 727</u>	<u>£ 727</u>
10. INVESTMENT PROPERTY REVALUATION RESERVE			
At 1 January 2005			<u>189,950</u>
At 31 December 2005			<u>£ 189,950</u>
11. CAPITAL REDEMPTION RESERVE			
At 1 January 2005			<u>671</u>
At 31 December 2005			<u>£ 671</u>
12. PROFIT AND LOSS ACCOUNT			
At 1 January 2005			<u>86,199</u>
Retained profit for the year			<u>6,182</u>
At 31 December 2005			<u>£ 92,381</u>
13. TRANSACTIONS WITH DIRECTORS AND RELATED PARTIES			
During the year, the company made a loan to the director Mr P A Collin. The maximum indebtedness during the year was £24,765.			