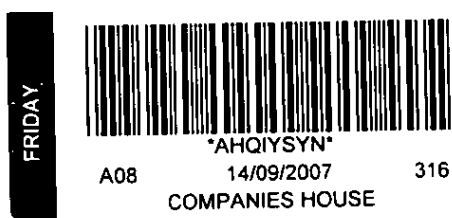


Melson Wingate Properties Limited

Unaudited financial statements

For the year ended 31 December 2006

Grant Thornton 



Company No. 2619752

Company information

Company registration number	2619752
Registered office	Pointfield 1 Anderton Villas Anderton Millbrook Cornwall PL10 1DR
Directors	R G M Wingate C J Wingate
Secretary	C J Wingate
Bankers	National Westminster Bank Plc Bournemouth
Accountants	Grant Thornton UK LLP Chartered Accountants No 1 Dorset Street Southampton Hampshire SO15 2DP

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Report of the directors

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2006

Principal activities and business review

The company operates principally as a property investment company

There was a profit for the year after taxation amounting to £63,721 (2005 £62,465)

Dividends of £64,788 (2005 £64,788) were paid during the year

Results and dividends

The profit for the year, after taxation, amounted to £63,721 Particulars of dividends paid are detailed in note 4 to the financial statements

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 31 December 2006	At 1 January 2006
R G M Wingate	13,508	13,508
C J Wingate	<u>7,000</u>	<u>7,000</u>

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD

C J Wingate
Secretary

CJ Wingate 7/9/07

Grant Thornton 

Chartered accountants' report to the board of directors on the unaudited financial statements of Melson Wingate Properties Limited

In accordance with the engagement letter dated 7 June 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 December 2006 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS

Grant Thornton UK LLP

13/9/07.....

SOUTHAMPTON

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover is the total amount receivable by the company as rental income

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows

Computer Equipment	- 33 3%
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Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

Deferred taxation

Deferred taxation is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax is measured using current rates of tax

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability, then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2006 £	2005 £
Turnover		97,050	96,335
Other operating charges	1	21,036	24,497
Operating profit	2	76,014	71 838
Interest receivable		3,133	5,361
Profit on ordinary activities before taxation		79,147	77,199
Tax on profit on ordinary activities	3	15,426	14,734
Profit for the financial year	10	63,721	62,465

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	5	<u>1,331,370</u>	<u>1,331,444</u>
Current assets			
Cash at bank		<u>143,414</u>	<u>154,830</u>
		<u>143,414</u>	<u>154,830</u>
Creditors: amounts falling due within one year	7	<u>28,797</u>	<u>39,220</u>
Net current assets		<u>114,617</u>	<u>115,610</u>
Total assets less current liabilities		<u>1,445,987</u>	<u>1,447,054</u>
Capital and reserves			
Called-up equity share capital	9	<u>29,229</u>	<u>29,229</u>
Revaluation reserve	10	<u>1,321,271</u>	<u>1,321,271</u>
Profit and loss account	10	<u>95,487</u>	<u>96,554</u>
Shareholders' funds		<u>1,445,987</u>	<u>1,447,054</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

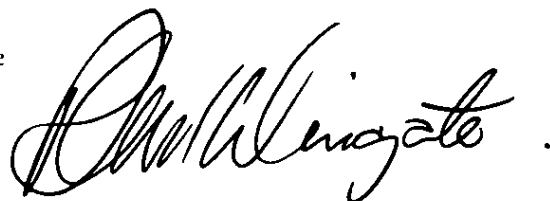
The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 7/9/07 and are signed on their behalf by

R G M Wingate
Director



Other primary statements

Statement of total recognised gains and losses

	2006 £	2005 £
Profit for the financial year	63,721	62,465
Unrealised profit on revaluation		
Of tangible fixed assets		
Investment properties	—	325,400
Total gains and losses recognised for the year	<u>63,721</u>	<u>387,865</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2006 £	2005 £
Administrative expenses	<u>21,036</u>	<u>24,497</u>

2 Operating profit

Operating profit is stated after charging

	2006 £	2005 £
Directors' emoluments	10,440	10,000
Depreciation of owned fixed assets	<u>74</u>	<u>222</u>

3 Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
UK Corporation tax based on the results for the year at 19% (2005 - 19%)	15,426	16,000
Over/under provision in prior year	-	(1,266)
Total current tax	<u>15,426</u>	<u>14,734</u>

4 Dividends

Dividends on shares classed as equity

	2006 £	2005 £
Paid during the year		
Equity dividends on ordinary shares	<u>64,788</u>	<u>64,788</u>

5 Tangible fixed assets

	Computer equipment £	Investment properties £	Total £
Cost or valuation			
At 1 January 2006 and 31 December 2006	<u>444</u>	<u>1,331,000</u>	<u>1,331,444</u>
Depreciation			
Charge for the year	<u>74</u>	<u>—</u>	<u>74</u>
At 31 December 2006	<u>74</u>	<u>—</u>	<u>74</u>
Net book value			
At 31 December 2006	<u>370</u>	<u>1,331,000</u>	<u>1,331,370</u>
At 31 December 2005	<u>444</u>	<u>1,331,000</u>	<u>1,331,444</u>

6 Valuation of investments

The figures stated in note 5 for fixed asset investment properties include a valuation as follows

Additions at cost in 1992	29,229
Surplus on revaluation in 1992	745,011
Surplus on revaluation in 2000	298,610
Disposal in 2003	(67,250)
Surplus on revaluation in 2005	325,400
At 31 December 2006	<u>1,331,000</u>

The investment properties were valued on 30 June 2005 by Messrs Goadsby and Harding, a professional firm of property valuers, on an existing use basis

7 Creditors: amounts falling due within one year

	2006 £	2005 £
Corporation tax	14,630	16,000
PAYE and social security	672	633
Other creditors	27	27
Accruals and deferred income	13,468	22,560
	<u>28,797</u>	<u>39,220</u>

8 Deferred taxation

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows

	2006	2005
	£	£
Other timing differences	<u>89,000</u>	<u>93,500</u>

The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 19% (2005 19%)

No provision has been made for taxation which would accrue if the investment properties (see note 5) were disposed of at their revalued amounts. The amount unprovided shown above relates to unrealised capital gains

9 Share capital

Authorised share capital

	2006	2005
	£	£
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

Allotted, called up and fully paid

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>29,229</u>	<u>29,229</u>	<u>29,229</u>	<u>29,229</u>

10 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£
At 1 January 2006	29,229	1,321,271	96,554	1,447,054
Profit for the year	—	—	63,721	64,303
Equity dividends	—	—	(64,788)	(64,788)
At 31 December 2006	<u>29,229</u>	<u>1,321,271</u>	<u>95,487</u>	<u>1,446,569</u>

11 Capital commitments

The company had no capital commitments at 31 December 2006 or at 31 December 2005

12 Contingent liabilities

There were no contingent liabilities at 31 December 2006 or at 31 December 2005 except in respect of deferred taxation as disclosed in note 8