

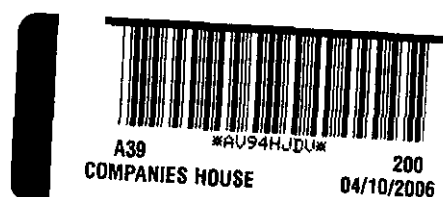
Registered no. 1840616

BALTIC WHARF MANAGEMENT COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

**WILLIAM PRICE & CO.
CHARTERED ACCOUNTANTS
1 ST PAULS ROAD
BRISTOL
BS8 1LZ**



BALTIC WHARF MANAGEMENT COMPANY LIMITED

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BALTIC WHARF MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

J Buxton
A R Castillo
Ms I Shantry
S R West
C Tomkins
C Mansfield
B G P Wood

Secretary

J Buxton

Registered Office

26 Meredith Court
Canada Way
Bristol
BS1 6XX

Principal Activities

The principal activity of the company throughout the year was to act as a management company in respect of properties at Baltic Wharf, Cumberland Road, Bristol.

BALTIC WHARF MANAGEMENT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

Directors

The present directors are as shown above. Apart from S R West, C Tomkins and C Mansfield who were appointed on 26 July 2005, they all served on the board throughout the year. Also, D G Stone was a director until his resignation on 27 May 2005, K W Corder was a director until his resignation on 30 June 2005, J Myers was a director until her resignation on 20 July 2005, M Rogers was a director until his resignation on 14 August 2005 and P Simons was a director until his resignation on 30 September 2005. All of the directors are members of the company.

There is an obligation for directors to retire by rotation, however at the balance sheet date it was undecided as to who the two retiring directors would be.

Each of the directors at the time when the directors' report is approved states that:-

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, William Price & Co., have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



J BUXTON - SECRETARY

Date: 29.09.06

BALTIC WHARF MANAGEMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BALTIC WHARF MANAGEMENT COMPANY LIMITED

We have audited the financial statements of Baltic Wharf Management Company Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditor's 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 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 described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

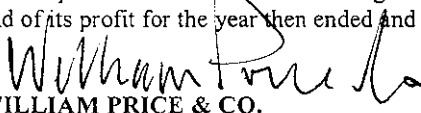
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


WILLIAM PRICE & CO.

Registered Auditors

Date: 11/10/06

CHARTERED ACCOUNTANTS
1 ST PAULS ROAD
BRISTOL
BS8 1LZ

BALTIC WHARF MANAGEMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
TURNOVER	2	158,486	74,066
Net operating expenses	3	(116,669)	(107,480)
OPERATING PROFIT/(LOSS)	4	41,817	(33,414)
Other interest receivable and similar income		6,768	3,908
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		48,585	(29,506)
Tax on profit/(loss) on ordinary activities	5	(2,607)	(1,496)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	10	45,978	(31,002)

The annexed notes form part of these financial statements.

BALTIC WHARF MANAGEMENT COMPANY LIMITED

BALANCE SHEET AT 31 MARCH 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	127,671	128,540
CURRENT ASSETS			
Debtors	7	2,109	5,478
Cash at bank and in hand		242,204	203,181
		<u>244,313</u>	<u>208,659</u>
CREDITORS			
Amounts falling due within one year	8	(6,457)	(17,651)
NET CURRENT ASSETS		237,856	191,008
NET ASSETS		<u>365,527</u>	<u>319,548</u>
CAPITAL AND RESERVES			
Revaluation reserve	9	78,469	80,232
Profit and loss account	10	287,058	239,316
MEMBERS' FUNDS		<u>365,527</u>	<u>319,548</u>

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

These financial statements were approved by the board on 27.09.06
ON BEHALF OF THE BOARD


MS I SHANTRY-DIRECTOR

The annexed notes form part of these financial statements.

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 March 2006 which occurred before the date of approval of financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2006 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Leasehold property	- equally over the economic life of the asset based on the revalued amount
Office equipment	- 10% per annum of cost
Computer equipment	- 100% per annum of cost
Fire alarms	- 10% per annum of cost
Scaffolding tower	- 10% per annum of cost

Where leasehold property is revalued in the year, the amortisation relating to that revaluation surplus is charged to reserves over the remaining economic life of the asset concerned. Amortisation commenced in the year to September 2001 and the economic life was deemed to be fifty years.

Deferred Taxation

Deferred taxation is accounted for in accordance with the requirements of FRS19.

2. TURNOVER

The company's turnover represents the value of management service charges and any associated charges to flat owners during the year.

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

3. NET OPERATING EXPENSES

	2006 £	2005 £
Administrative expenses	118,508	108,327
Other operating income	(1,839)	(847)
	<u>116,669</u>	<u>107,480</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Directors' emoluments	10,156	7,368
Depreciation and amortisation of owned assets	5,090	1,688
Auditors' remuneration	852	764
Auditors' remuneration - non-audit services	793	793
	<u> </u>	<u> </u>

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

5. TAXATION

Analysis of charge in period	2006 £	2005 £
Current tax:		
UK corporation tax on profits/(losses) of the year	2,607	1,496
Total current tax	<u>2,607</u>	<u>1,496</u>
Tax on profit/(loss) on ordinary activities	<u>2,607</u>	<u>1,496</u>

Factors affecting tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK. 40% is the rate applicable to trusts for the period. The differences are explained below:

	2006 £	2005 £
Profit/(loss) on ordinary activities before tax	<u>48,585</u>	<u>(29,506)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 40% (2005:40%)	19,434	(11,802)
Effects of non taxation of mutual (profit)/loss	(16,827)	13,298
Effects of reduced rates on non mutual income	-	-
Current tax charge for year	<u>2,607</u>	<u>1,496</u>

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

6. TANGIBLE FIXED ASSETS

	Long Leasehold buildings £	Office and computer equipment £	Fire alarms £	Scaffold tower £	Total £
Cost					
At 1 April 2005	135,000	1,830	4,970	2,820	144,620
Additions	-	1,806	2,415	-	4,221
Disposals	-	(600)	-	-	(600)
At 31 March 2006	<u>135,000</u>	<u>3,036</u>	<u>7,385</u>	<u>2,820</u>	<u>148,241</u>
Depreciation					
At 1 April 2005	11,207	1,640	414	2,819	16,080
Charge for the year	2,720	1,630	740	-	5,090
Elimination on disposals	-	(600)	-	-	(600)
At 31 March 2006	<u>13,927</u>	<u>2,670</u>	<u>1,154</u>	<u>2,819</u>	<u>20,570</u>
Net book value					
At 31 March 2006	<u>121,073</u>	<u>366</u>	<u>6,231</u>	<u>1</u>	<u>127,671</u>
At 31 March 2005	<u>123,793</u>	<u>190</u>	<u>4,556</u>	<u>1</u>	<u>128,540</u>

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

Cost or valuation of land and buildings comprises:

	£
Cost	-
Valuation 2004	135,000
	<u>135,000</u>

The comparable amounts determined according to the historical cost convention are as follows:

	£
Cost	47,867
Accumulated depreciation	<u>5,263</u>
Net book value	
At 31 March 2006	<u>42,604</u>
At 31 March 2005	<u>43,561</u>

7. DEBTORS

	2006 £	2005 £
Management service charge arrears	510	3,914
Prepayments	<u>1,599</u>	<u>1,564</u>
	<u>2,109</u>	<u>5,478</u>

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2006 £	2005 £
Management service charges paid in advance	1,164	7,369
Corporation tax payable	1,288	1,710
Accruals	<u>4,005</u>	<u>8,572</u>
	<u>6,457</u>	<u>17,651</u>

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

9. REVALUATION RESERVE

	2006 £
At 1 April 2005	80,232
Transfer of amount equivalent to depreciation on revaluation	(1,763)
At 31 March 2006	<u>78,469</u>

10. PROFIT AND LOSS ACCOUNT

	2006 £
At 1 April 2005	239,317
Profit for the financial year	45,978
Transfer of amount equivalent to depreciation on revaluation	1,763
At 31 March 2006	<u>287,058</u>

11. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. At the balance sheet date there were 241 members. The liability of each member is limited to £1.

12. LEASING COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as detailed below:

	2006 £	2005 £
Operating leases which expire:		
Within two to five years	601	601
	<u>601</u>	<u>601</u>

BALTIC WHARF MANAGEMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

13. CONTINGENT LIABILITIES

The company recognises a contingent liability in respect of the external fabric of the Baltic Wharf Estate. It has proven impossible to obtain reliable estimates of the likely cost or timing of such expenditure. The directors have continued the policy of raising funds to meet this contingency and intend to do so in future years. The consideration as to the adequacy of the funds held does not affect the state of the company's affairs as the ultimate responsibility for these costs lies collectively with the property owners. The responsibility of the company is to collect the funds necessary to cover costs actually incurred.

14. CONTROLLING PARTY

The company is controlled by its membership and consequently there is no identifiable controlling interest.