

A&PA PROPERTY LIMITED
Report of the Directors and
Audited Financial Statements
for the year ended 31 December 2006

TUESDAY



A62 *A5BW0U8O* 230
30/10/2007
COMPANIES HOUSE

A&PA PROPERTY LIMITED

Contents of the Financial Statements for the year ended 31 December 2006

	Page
Company Information	1
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9
Profit and Loss Account	14

A&PA PROPERTY LIMITED

**Company Information
for the year ended 31 December 2006**

DIRECTORS: K P Thompson
Ms A E Griffiths

SECRETARY: Ms A E Griffiths

REGISTERED OFFICE: The Gatehouse
Melrose Hall
Cypress Drive
St Mellons
CARDIFF
CF3 0EG

REGISTERED NUMBER: 03015482 (England and Wales)

AUDITORS: KTS OWENS THOMAS LIMITED
Chartered Accountants and Registered Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

BANKERS: Royal Bank of Scotland
City of London Office
PO Box 12258
1 Princes Street
London
EC2R 8PA

A&PA PROPERTY LIMITED

**Company Information
for the year ended 31 December 2006**

SOLICITORS:

M&A Solicitors
Kenneth Pollard House
5-19 Cowbridge Road East
Cardiff
CF11 9AB

A&PA PROPERTY LIMITED

Report of the Directors for the year ended 31 December 2006

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

PRINCIPAL ACTIVITY

The company acts as a property holding investment company and will continue to do so for the foreseeable future

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

On 8 September 2006, the company's parent, A&PPP 2006 Limited (previously A&P Ports & Properties Limited) was acquired by A&P Ports & Properties Limited (previously Mandaco 483 Limited) as part of a group restructuring exercise

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rates, liquidity risk and credit risk

The company's ultimate parent undertaking, A&P Ports & Properties Limited, manages the interest rate and liquidity risks associated with the whole A&P Ports & Properties Group, as disclosed in the financial statements of that company, which are available as disclosed in note 14 A&P Ports & Properties Limited is financed by bank and shareholder loans

The company does not anticipate obtaining new customers. The company's income is represented by a consistent rental stream with existing customers. Meetings are held with the customers to maintain trading relationships.

DIVIDENDS

An interim dividend of £893,438.50 per share was paid on 8 September 2006. The directors recommend that no final dividend be paid.

DIRECTORS

K P Thompson has held office during the whole of the period from 1 January 2006 to the date of this report.

Other changes in directors holding office are as follows:

D J Ring - appointed 6 September 2006

B J Slade - resigned 4 September 2006

Ms A E Griffiths was appointed as a director after 31 December 2006 but prior to the date of this report.

D J Ring ceased to be a director after 31 December 2006 but prior to the date of this report.

A&P A PROPERTY LIMITED

Report of the Directors for the year ended 31 December 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 these 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 the 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

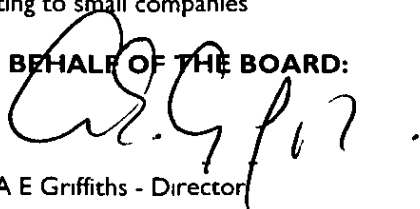
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, KTS OWENS THOMAS LIMITED, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This 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:



Ms A E Griffiths - Director

Date

24 Oct. 2007

Report of the Independent Auditors to the Shareholders of A&PA Property Limited

We have audited the financial statements of A&PA Property Limited for the year ended 31 December 2006 on pages seven to thirteen. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Report of the Independent Auditors to the Shareholders of
A&P A Property Limited**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

KTS Owens Thomas Limited
KTS OWENS THOMAS LIMITED
Chartered Accountants and Registered Auditor
The Counting House
Celtic Gateway
Cardiff
CF11 0SN

Date *04/10/2007*

A&PA PROPERTY LIMITED**Profit and Loss Account
for the year ended 31 December 2006**

	Notes	2006 £	2005 £
TURNOVER		-	-
Administrative expenses		<u>(181,721)</u>	<u>(169,106)</u>
		(181,721)	(169,106)
Other operating income		<u>1,250,000</u>	<u>1,250,000</u>
OPERATING PROFIT	2	1,068,279	1,080,894
Profit/loss on sale of tangible fixed assets		<u>-</u>	<u>(751,786)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,068,279	329,108
Tax on profit on ordinary activities	3	<u>(272,600)</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>795,679</u>	<u>329,108</u>

The notes form part of these financial statements

A&P A PROPERTY LIMITED**Balance Sheet
31 December 2006**

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	5	15,801,036	13,396,110
CURRENT ASSETS			
Debtors	6	333,333	166,500
Investments	7	-	1,250,000
Prepayments and accrued income		12,416	83,333
Cash at bank		156	10,549,168
		<u>345,905</u>	<u>12,049,001</u>
CREDITORS			
Amounts falling due within one year	8	<u>(15,682,045)</u>	<u>(24,261,617)</u>
NET CURRENT LIABILITIES		<u>(15,336,140)</u>	<u>(12,212,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		464,896	1,183,494
PROVISIONS FOR LIABILITIES	9	<u>(272,600)</u>	<u>-</u>
NET ASSETS		<u>192,296</u>	<u>1,183,494</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	<u>192,294</u>	<u>1,183,492</u>
SHAREHOLDERS' FUNDS		<u>192,296</u>	<u>1,183,494</u>

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

The financial statements were approved by the Board of Directors on its behalf by

24 Oct 07

and were signed on


Ms A E Griffiths - Director

The notes form part of these financial statements

A&PA PROPERTY LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 10% per annum and 2% on cost
Plant & Machinery	- 15% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events result in an obligation to pay more or a right to pay less, tax in the future.

Cashflow Statement

The company is a wholly owned subsidiary and is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cashflow statement.

2 OPERATING PROFIT

The operating profit is stated after charging

	2006	2005
	£	£
Depreciation - owned assets	290,745	166,299
Auditor's remuneration	2,500	-

At 31 December 2005, a provision was made to adjust the carrying value of assets marketed for sale to net realisable value. These assets are no longer for sale and have been transferred to fixed assets at this net realisable value of £1,250,000. These assets form part of the additions to land and buildings in note 5.

A&PA PROPERTY LIMITED**Notes to the Financial Statements - continued
for the year ended 31 December 2006****3 TAXATION****Analysis of the tax charge**

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

	2006 £	2005 £
Deferred tax	<u>272,600</u>	<u>-</u>
Tax on profit on ordinary activities	<u>272,600</u>	<u>-</u>

4 DIVIDENDS

	2006 £	2005 £
Ordinary shares of 1 each		
Dividend paid	<u>1,786,877</u>	<u>-</u>

5 TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Totals £
COST AND VALUATION			
At 1 January 2006	14,007,051	1,630,370	15,637,421
Additions	<u>2,695,672</u>	<u>-</u>	<u>2,695,672</u>
At 31 December 2006	<u>16,702,723</u>	<u>1,630,370</u>	<u>18,333,093</u>
DEPRECIATION			
At 1 January 2006	1,279,697	961,615	2,241,312
Charge for year	<u>259,877</u>	<u>30,868</u>	<u>290,745</u>
At 31 December 2006	<u>1,539,574</u>	<u>992,483</u>	<u>2,532,057</u>
NET BOOK VALUE			
At 31 December 2006	<u>15,163,149</u>	<u>637,887</u>	<u>15,801,036</u>
At 31 December 2005	<u>12,727,354</u>	<u>668,755</u>	<u>13,396,109</u>

A&PA PROPERTY LIMITED**Notes to the Financial Statements - continued
for the year ended 31 December 2006****6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Trade debtors	-	166,500
Other debtors	250,000	-
Prepayments and accrued income	95,749	83,333
	<u>345,749</u>	<u>249,833</u>

Included in other debtors is £250,000 which is held on escrow by the issuer of the Term loan made to the ultimate parent company as a covenant against non payment of interest.

7 CURRENT ASSET INVESTMENTS

	2006 £	2005 £
Assets held for resale	-	1,250,000

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Trade creditors	16,875	-
Amounts owed to group undertakings	15,665,170	23,103,055
Amounts owed to participating interests	-	1,158,562
	<u>15,682,045</u>	<u>24,261,617</u>

9 PROVISIONS FOR LIABILITIES

Deferred tax is made up as follows

	2006 £	2005 £
Accelerated capital allowances	396,600	-
Losses carried forward	(12,400)	-
	<u>272,600</u>	<u>-</u>

A&PA PROPERTY LIMITED

Notes to the Financial Statements - continued for the year ended 31 December 2006

10 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
1,000	Ordinary	1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
2	Ordinary	1	<u>2</u>	<u>2</u>

11 RESERVES

	Profit and loss account £
At 1 January 2006	1,183,492
Profit for the year	795,679
Dividends	<u>(1,786,877)</u>
At 31 December 2006	<u>192,294</u>

12 CONTINGENT LIABILITIES

The company has entered into cross guarantees in favour of Julian Hodge Bank Limited regarding amounts borrowed by A&P Ports & Properties Limited, which at 31 December 2006, amounts to £12,500,000

13 RELATED PARTY DISCLOSURES

During the year, the company carried out transactions with related parties in the normal course of business. The names of the related parties, nature of these transactions and their total value is shown below

In the year to 31 December 2006, the company received rental receipts of £1,000,000 from A&P Falmouth Limited (2005 £1,000,000) and £250,000 from Falmouth Docks and Engineering Company Limited (2005 £250,000). At 31 December 2006, £86,334 (£249,833) was due from A&P Falmouth Limited. Both companies are wholly owned subsidiaries of A&P Group Limited, the former parent company of A&PA Property Limited. A&P Group Limited is considered to be a related party by virtue of common influence and control.

14 ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is A&PPP 2006 Limited. The directors regard A&P Ports & Properties Limited (formerly Mandaco 483 Limited), which is incorporated in England and Wales, as the ultimate parent company and controlling party. The directors of A&P Ports & Properties Limited collectively own approximately 98% of the equity share capital of that company and therefore, acting in concert, are themselves ultimate controlling party. No one director individually owns more than 50% of the equity share capital of A&P Ports & Properties Limited. Copies of the parent's consolidated financial statements may be obtained from the company secretary at:

A&P Ports & Properties Limited
The Gatehouse
Melrose Hall
Cypress Drive
St. Mellons
Cardiff
CF3 0EG