J T BAYLIS AND COMPANY LIMITED AND SUBSIDIARIES
(Company Number 581564)

CONSOLIDATED ACCOUNTS

31 MAY, 2007

DIRECTORS

E Whelan

M Head

M V Windo

R Bailey

R C Davis

SECRETARY

C G Walton

REGISTERED OFFICE

Churchfields,
Westbury Hill,
Westbury-on-Trym,
Bristol
BS9 3AA

The Directors submit their Report, together with the audited Consolidated Accounts for the year ended 31 May, 2007

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of Holding Company, Developers and Building Contractors The Company expects to continue to develop land owned by the J T Baylis Land Development Partnership The activities of each of the Subsidiary Companies are set out below

John Baylis Limited continues to hold as an investment a Head Lease granted by the J T Baylis Land Development Partnership on 2 October 1995 of the site of The Mall at Cribbs Causeway, near Bristol This was previously sub-let by the company to the Prudential Assurance Company Limited on a rent sharing basis of the rents paid by the occupational tenants (the rent sharing sublease being the "Lease") On 10 March 2005, the Prudential Assurance Company Limited assigned the legal interest in the Lease to Cribbs Mall Nominee (1) Limited and Cribbs Mall Nominee (2) Limited and the Prudential Assurance Company Limited entered into a Deed of Guarantee of the obligations of the tenant under the Lease for the remainder of its term for the benefit of the company and the J T Baylis Land Development Partnership On 18 March 2005, pursuant to the terms of the licence to assign which requires that any future assignee of the beneficial interest in the Lease enters into a guarantee with the company and J T Baylis Land Development Partnership, Capital Shopping Centres PLC also entered into a Deed of Guarantee for the tenant's obligations under the Lease The rents received from the tenants (Cribbs Mall Nominee (1) Limited and Cribbs Mall Nominee (2) Limited) is adequate to meet the costs of servicing the company's borrowings and the rent payable under the Head Lease

John Baylis Leisure Limited continues to hold as an investment Head Leases granted by the J T Baylis Land Development Partnership and Prudential Assurance Company Limited on 3 December 1997 of the site of The Venue, a Leisure Complex at Cribbs Causeway This site is sub-let to PAC on a rent sharing basis of the rents paid by the occupational tenants The rent received from PAC is adequate to meet the cost of servicing that Company's borrowings and the rent payable under the Head Leases

John Baylis Construction Limited is a building contractor, which includes the construction of commercial units as contractor to its Holding Company and other Group Companies

J T Baylis Management Limited has remained dormant throughout the year

RESULTS AND DIVIDENDS

The results for the year are shown in the attached Profit and Loss Accounts No dividend is recommended in respect of the year

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments, other than derivatives, comprise borrowings, some cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the Group's operations

The Group also enters into derivatives, principally interest rate swaps The purpose of such transactions is to manage the interest rate risks arising from the Group's financing operations

BUSINESS REVIEW

The Group continues to have three main sources of income as follows

	2007 £000	2006 £000
Rent Receivable	10,820	14,623
Development and Related Recharged Costs	20	864
Management Services	240	210
	11,080	15,697

Rent receivable dominates Group turnover As the major expense of the Group is rents payable, which are set proportions of rents received, we consider the key performance indicator to be that of rents receivable

The generation of cash during the year by the Group has enabled the repayment of loan capital of £3,950,000

Operating profit has decreased by £2,636,158 to £6,430,697
Profit before tax has decreased by £2,306,849 to £5,702,331

The principal risks to the business are increased competition from the redevelopment of the Broadmead Shopping Centre which is due for completion in September 2008, any long term collapse in consumer confidence in the retail market caused by increases in the bank lending rates and the present government's embargo on the expansion of out of town shopping centres However, The Mall is an established regional shopping centre with good anchor tenants and free car parking and therefore the redevelopment of Broadmead is considered unlikely to have a significant effect in the long term

Additionally, the level of development income and related recharged costs is dependent upon the level of activity of the J T Baylis Land Development Partnership, which at this moment is actively progressing two major developments

With these risks and uncertainties in mind the Directors are aware that any plans for the future development of the Group may be subject to unforeseen future events beyond their control

DONATIONS

During the year the Group made charitable donations of £11,200, being £1,200 to HCPT The Pilgramage Trust and £10,000 to BUI Prostate Cancer Care No political contributions were made

DIRECTORS

The names of the Directors during the year are as follows

M Head
M V Windo
E Whelan
R Bailey
R C Davis

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing 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 year

In preparing those financial statements, the Directors are required to select suitable accounting policies, as described on pages 12 to 13, and then apply them on a consistent basis, making judgements and estimates that are prudent and responsible The directors must also prepare the Accounts 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 that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Accounts 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

In so far as the Directors are aware

- There is no relevant audit information of which the company's auditors are unaware, and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

A resolution for the reappointment of Whyatt Pakeman Partners as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting

Churchfields,
Westbury Hill,
Westbury-on-Trym,
Bristol
BS9 3AA

On Behalf of the Board

E Whelan
(Director)

6 February 2008

We have audited the group and parent company Accounts of J T Baylis and Company Limited for the year ended 31 May 2007, which comprise the Group and Company Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes These Accounts have been prepared under the accounting policies set out on pages 12 and 13

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 THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the Accounts 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 Accounts 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 Directors' Report is consistent with the Accounts

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 audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report 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 Accounts It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the Accounts, and of whether the accounting policies are appropriate to the Group's and 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 Accounts 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 Accounts

OPINION

In our opinion

- The Accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2007, and of the group's profit and the parent company's loss for the year then ended,
- The Accounts have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the Accounts

Colkin House,
16, Oakfield Road,
Clifton,
Bristol BS8 2AP

6 February 2008

WHYATT PAKEMAN PARTNERS
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

GROUP AND COMPANY BALANCE SHEETS

31 MAY, 2007

	Notes	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
FIXED ASSETS					
Tangible Assets – Land and Buildings	2	137,800,000	137,800,000	-	-
- Other	3	17,024	21,297	15,344	19,057
Investments	4	-	-	20,102	20,102
		137,817,024	137,821,297	35,446	39,159
CURRENT ASSETS					
Stock	5	175,932	191,007	151,882	166,957
Debtors	6	2,548,718	2,363,957	3,465,376	3,342,037
Cash at Bank and in Hand		329,146	271,328	302,241	271,328
		3,053,796	2,826,292	3,919,499	3,780,322
CREDITORS Amounts falling due within one year	7	(5,540,595)	(6,091,241)	(3,146,648)	(2,890,260)
NET CURRENT ASSETS/(LIABILITIES)		(2,486,799)	(3,264,949)	772,851	890,062
TOTAL ASSETS LESS CURRENT LIABILITIES		135,330,225	134,556,348	808,297	929,221
CREDITORS Amounts falling due after more than one year	8	(4,000,000)	(7,250,000)	-	-
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred Taxation	11	(1,436,093)	(1,512,988)	-	-
		129,894,132	125,793,360	808,297	929,221
Represented by					
CAPITAL AND RESERVES					
Called Up Share Capital	12	50,000	50,000	50,000	50,000
Investment Property Revaluation Reserve	13	107,578,159	107,578,159	-	-
Profit and Loss Account	14	22,265,973	18,165,201	758,297	879,221
SHAREHOLDERS' FUNDS		129,894,132	125,793,360	808,297	929,221

These Accounts were approved by the Directors on 6 February 2008 and are signed on their behalf by

R C DAVIS

M V WINDO

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY, 2007

	Notes	2007 £	2006 £
TURNOVER	1	11,079,858	15,696,806
Change in Stock of Finished Goods and Work-in-Progress		(15,075)	(443,788)
		11,064,783	15,253,018
Raw Materials and Consumables		335	295
Other External Charges		2,752	265,859
Staff Costs	15	135,570	133,695
Depreciation		5,558	7,093
Other Operating Charges		4,489,871	5,779,221
		4,634,086	6,186,163
OPERATING PROFIT		6,430,697	9,066,855
Other Interest Receivable and Similar Income		76,845	113,668
		6,507,542	9,180,523
Interest Payable	17	(805,211)	(1,171,343)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	17	5,702,331	8,009,180
Tax on Profit on Ordinary Activities	18	(1,601,559)	(2,400,615)
RETAINED PROFIT FOR THE FINANCIAL YEAR	14	4,100,772	5,608,565

CONTINUING OPERATIONS

None of the Group's activities were acquired or discontinued during the above two financial years

The Group has no recognised gains or losses other than the results for the year set out above

COMPANY PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY, 2007

	Notes	2007 £	2006 £
TURNOVER	1	635,419	1,428,563
Change in Stock of Finished Goods and Work-in-Progress		(15,075)	(443,788)
		620,344	984,775
Other External Charges		2,682	265,664
Staff Costs	15	135,570	133,695
Depreciation		4,998	6,346
Other Operating Charges		658,035	608,446
		801,285	1,014,151
OPERATING LOSS		(180,941)	(29,376)
Other Interest Receivable and Similar Income		7,739	13,286
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	17	(173,202)	(16,090)
Tax on Loss on Ordinary Activities	18	52,278	4,214
RETAINED LOSS FOR THE FINANCIAL YEAR	14	(120,924)	(11,876)

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years

The Company has no recognised gains or losses other than the results for the year set out above

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MAY, 2007

	Notes	2007 £	2006 £
Net Cash Inflow from Operating Activities	1	6,547,445	9,233,468
Returns on Investments and Servicing of Finance	2	(738,342)	(1,096,963)
Taxation	2	(1,800,000)	(2,159,624)
Capital Expenditure and Financial Investment	2	(1,285)	(7,466)
Cash Inflow Before Financing		4,007,818	5,969,415
Financing	2	(3,950,000)	(6,095,000)
Increase/(Decrease) in Cash in the Period		57,818	(125,585)
Reconciliation of Net Cash Flow to Movement in Net Debts (Note 3)			
Increase/(Decrease) in Cash in the Period		57,818	(125,585)
Cash Used to Repay Borrowings		3,950,000	6,095,000
Change in Net Debt		4,007,818	5,969,415
Net Debt at 1 June, 2006		(10,163,672)	(16,133,087)
Net Debt at 31 May, 2007		(6,155,854)	(10,163,672)

NOTES TO THE GROUP CASH FLOW STATEMENT

YEAR ENDED 31 MAY, 2007

1 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2007 £	2006 £
Operating Profit	6,430,697	9,066,855
Depreciation Charges and loss on disposals	5,558	7,093
Decrease in Stock	15,075	443,788
(Increase)/Decrease in Debtors	(199,259)	224,585
Increase/(Decrease) in Creditors	295,374	(508,853)
Net Cash Inflow from Operating Activities	6,547,445	9,233,468

2 Analysis of Net Cash Flows

	2007	2006
Returns on Investments and Servicing of Finance		
Interest Received	91,343	106,199
Interest Paid	(829,685)	(1,203,162)
Net Cash Outflow	(738,342)	(1,096,963)
Taxation		
Tax Paid	(1,800,000)	(2,159,624)
Capital Expenditure and Financial Investment		
Payments to Acquire Tangible Fixed Assets	(1,285)	(7,466)
Financing		
Repayments of Amounts Borrowed	(3,950,000)	(6,095,000)

3 Analysis of Changes in Net Debt

	At 01 06 06 £	Cash Flow £	At 31 05 07 £
Bank	271,328	57,818	329,146
Debt Due Within One Year	(3,185,000)	700,000	(2,485,000)
Debt Due After One Year	(7,250,000)	3,250,000	(4,000,000)
TOTAL	(10,163,672)	4,007,818	(6,155,854)

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The Accounts are prepared under the historical cost convention as modified by the revaluation of the Investment Properties, in accordance with applicable accounting standards and, except as disclosed in Note 1(c) below, the requirements of the Companies Act 1985

(b) Basis of Consolidation

The Group Accounts incorporate the Accounts of the Company and those of its Subsidiary Undertakings, all of which are made up to 31 May, 2007

(c) Land and Buildings - Long Leasehold

The Group's interest in the Regional Shopping Centre was valued as at 31 May, 2005 by Chartered Surveyors on an open market value basis This valuation was taken into account by the Directors in calculating the value they attributed to the Group's interest in this investment property at 31 May, 2007 and 31 May 2006

The Group's interest in the Leisure Complex was valued as at 31 May, 2003 by Chartered Surveyors on an open market value basis This valuation was taken into account by the Directors in calculating the value they attributed to the Group's interest in this investment property at 31 May, 2007 and 31 May, 2006

Surpluses and temporary deficits arising on valuations are taken to the Investment Property Revaluation Reserve (Note 13)

In accordance with Statement of Standard Accounting Practice No 19, no depreciation or amortisation is provided in respect of the investment properties This treatment, which is adopted in order for the Accounts to give a true and fair view, is a departure from the requirements of the Companies Act 1985 concerning the depreciation of fixed assets However, the investment properties are not held for consumption but for investment and the Directors consider that systematic annual depreciation would be inappropriate Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

(d) Depreciation

Other Fixed Assets are depreciated, by reference to their estimated useful lives, at the following annual rates

Computer Equipment	25%	(Straight line basis)
Plant	25%	(Reducing balance basis)
Fixtures and Fittings	10%	(Reducing balance basis)

(e) Investments

Investments in Subsidiary Companies are valued at the cost of the investment in the Subsidiary Companies less provision for any diminution in value

1 ACCOUNTING POLICIES (Continued)

(f) Stock

Stock is stated at the lower of cost and net realisable value as follows
Cost incurred in bringing each product to its present location and condition

Goods for resale -	purchase cost on a first-in, first out basis
Work in Progress -	direct costs and labour plus attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal

(g) Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

(h) Turnover

Group Turnover represents (a) amounts invoiced during the year derived from ordinary activities, excluding Value Added Tax and (b) rent receivable excluding Value Added Tax

(i) Operating Leases

(i) Rentals in respect of land and buildings held under operating leases are charged to the profit and loss account in accordance with the specific terms of the lease and, in the case of other assets on a straight line basis over the term of the lease Financial commitments arising from such leases have been disclosed in the notes to these Accounts

(ii) Rental income as lessor is recognised on the basis of rent receivable adjusted for rent accrued but not received

(j) Pensions

Pension costs in respect of defined contribution schemes are charged against profit on the basis of contributions payable for the year

2 TANGIBLE FIXED ASSETS LAND AND BUILDINGS

	Long Leasehold		
GROUP	Regional Shopping Centre (Note 2(a)) £	Leisure Complex (Note 2(b)) £	Total £
VALUATION			
1 June 2006 and 31 May 2007	129,400,000	8,400,000	137,800,000

(a) Regional Shopping Centre

The Regional Shopping Centre is held as an investment property and has been valued in accordance with the terms of Statement of Standard Accounting Practice No 19

As at 31 May, 2005 the interest of the Group in the Regional Shopping Centre development was valued by Chartered Surveyors on an open market value basis at £129,400,000 The Directors considered the interest of the Group at 31 May 2007 and 31 May 2006 not to be materially different

(b) Leisure Complex

The Leisure Complex is held as an investment property and has been valued in accordance with Statement of Standard Accounting Practice No 19

As at 31 May, 2003 the interest of the Group in the Leisure Complex was valued by Chartered Surveyors on an open market value basis at £8,400,000 The Directors considered the interest of the Group at 31 May 2007 and 31 May 2006 not to be materially different

(c) At 31 May, 2007 the historical cost of the Investment Properties to the Group was £30,221,841 (2006 - £30,221,841)

(d) If the Investment Properties were sold at valuation a tax liability of approximately £29,780,000 (2006 - £30,235,000) would arise

3 TANGIBLE FIXED ASSETS OTHER

(a) GROUP

	Short Leasehold Property £	Computer Equipment £	Plant £	Fixtures £	Total £
COST					
1 June, 2006	16,290	13,688	12,157	21,445	63,580
Additions	-	-	-	1,285	1,285
Disposals	-	-	-	(561)	(561)
31 May, 2007	16,290	13,688	12,157	22,169	64,304
DEPRECIATION					
1 June, 2006	16,290	5,504	9,917	10,572	42,283
Charge	-	3,406	560	1,125	5,091
Disposals	-	-	-	(94)	(94)
31 May, 2007	16,290	8,910	10,477	11,603	47,280
NET BOOK VALUE					
31 May, 2007	-	4,778	1,680	10,566	17,024
31 May, 2006	-	8,184	2,240	10,873	21,297

(b) COMPANY

	Short Leasehold Property £	Computer Equipment £	Fixtures £	Total £
COST				
1 June, 2006	16,290	13,688	21,445	51,423
Additions	-	-	1,285	1,285
Disposals	-	-	(561)	(561)
31 May, 2007	16,290	13,688	22,169	52,147
DEPRECIATION				
1 June, 2006	16,290	5,504	10,572	32,366
Charge	-	3,406	1,125	4,531
Disposals	-	-	(94)	(94)
31 May, 2007	16,290	8,910	11,603	36,803
NET BOOK VALUE				
31 May, 2007	-	4,778	10,566	15,344
31 May, 2006	-	8,184	10,873	19,057

4 INVESTMENTS

(a) INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

(i) Subsidiary Undertakings, registered in England & Wales, and wholly owned

Company	Activities
John Baylis Limited	Investment Company
John Baylis Leisure Limited	Investment Company
John Baylis Construction Limited	Building Contractor
J T Baylis Management Limited	Non-Trading

All of the above Subsidiary Undertakings are included in the Consolidated Accounts

(ii) Investments (Held Directly by The Company)	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
John Baylis Limited				
10,001 Ordinary £1 Shares	-	-	10,000	10,000
John Baylis Leisure Limited				
10,000 Ordinary £1 Shares	-	-	10,000	10,000
John Baylis Construction Limited				
100 Ordinary £1 Shares	-	-	100	100
J T Baylis Management Limited				
2 Ordinary £1 Shares	-	-	2	2
	-	-	20,102	20,102

5 STOCK AND WORK IN PROGRESS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Work in Progress	151,882	166,957	151,882	166,957
Goods for Resale	24,050	24,050	-	-
	175,932	191,007	151,882	166,957

6 DEBTORS

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Amounts falling due within one year				
Trade Debtors	2,453,418	1,963,173	-	-
Amounts Owed by Subsidiary Companies	-	-	3,398,593	2,971,825
Amounts Owed by J T Baylis Land Development Partnership	-	335,927	-	335,927
Other Debtors	35,532	7,559	35,532	7,559
Prepayments	59,768	57,298	31,251	26,726
	2,548,718	2,363,957	3,465,376	3,342,037

7 CREDITORS Amounts falling due within one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Other Loans (Note 10)	2,485,000	3,185,000	-	-
Trade Creditors	1,729,012	1,908,009	152,343	311,780
Amounts Owed to Subsidiary Companies	-	-	2,784,599	2,526,071
Amounts Owed to J T Baylis Land Development Partnership	485,457	32,883	143,777	-
Current Corporation Tax	682,337	803,882	1,253	2,524
Other Creditors	230	167	230	167
Accruals	154,559	161,300	64,446	49,718
	5,540,595	6,091,241	3,146,648	2,890,260

8 CREDITORS Amounts falling due after more than one year

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank Loans (Notes 9, 21)	4,000,000	7,250,000	-	-

9 BANK LOANS

The group's Bank Loans are repayable as follows

	2007 £	2006 £
After five years	4,000,000	7,250,000

(a) Three 25 year bank loan facilities to 1 November, 2024 were agreed by the Group with its bankers as follows

(i) Loan for £15 million (facility available at 31 May 2007 - £14,052,754) at a fixed rate of interest of 6 98%,

(ii) Loan for £7 5 million (facility available at 31 May 2007 - £7,027,396) at a fixed rate of interest of 7 00% for 10 years and thereafter at 0 80% above the London Inter Bank Offered Rate This loan was cancelled on 7 June 2007,

(iii) Loan for £7 5 million (facility available at 31 May 2007 - £7,027,396) at 0 80% above the London Inter Bank Offered Rate

Loans (ii) and (iii) are flexible and capital may be drawn down up to the maximum of the available loan facility or repaid at any time

At 31 May 2007 no amounts were drawn down against the above loans

9 BANK LOANS (Continued)

(b) A loan facility of £4,000,000 is repayable at the latest by 1 December 2013 Interest is charged at 0 80% above the London Inter Bank Offered Rate

10 OTHER LOANS		Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Other Loans	(Note 7)	2,485,000	3,185,000	-	-

Other Loans comprise a loan from The J T Baylis Discretionary Settlement The loan is unsecured and repayable within five business days of receipt of demand for repayment Interest is payable at 7%

11 DEFERRED TAXATION

Deferred Taxation provided in the Accounts, is as follows

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Accelerated Capital Allowances	1,436,146	1,513,058	-	-
Unrelieved Losses	(53)	(70)	-	-
	1,436,093	1,512,988	-	-

Deferred Taxation of approximately £29,780,000 (2006 - £30,235,000) arising on the revaluation of Group Investment Properties has not been provided as there are no current plans to dispose of these assets

No deferred tax asset is carried in respect of losses available for relief against future trading income of certain Group Companies amounting to £1,613,311 (2006 - £1,613,311), and for the Company £1,579,226 (2006 - £1,579,226)

12 SHARE CAPITAL	2007 No	2006 No
Ordinary Shares of £1 each		
Authorised	60,000	60,000
Allotted, Issued and Fully Paid Up	50,000	50,000

13 INVESTMENT PROPERTY REVALUATION RESERVE

(a) GROUP	2007 £	2006 £
1 June, 2006 and 31 May 2007	107,578,159	107,578,159
(b) COMPANY		
1 June, 2006 and 31 May, 2007	-	-

14 PROFIT AND LOSS ACCOUNT

(a) GROUP	2007 £	2006 £
1 June 2006	18,165,201	12,556,636
Retained Profit	4,106,772	5,608,565
31 May, 2007	22,265,973	18,165,201
(b) COMPANY		
1 June, 2006	879,221	891,097
Retained Loss	(120,924)	(11,876)
31 May, 2007	758,297	879,221

15 EMPLOYEES

	Group 2007 No	Group 2006 No	Company 2007 No	Company 2006 No
The average monthly number of employees during the year was as follows				
Office and Management	3	3	3	3

Staff costs during the year amounted to	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Wages and Salaries	116,280	115,110	116,280	115,110
Social Security Costs	13,620	13,965	13,620	13,965
Other Pension Costs	5,670	4,620	5,670	4,620
	135,570	133,695	135,570	133,695
Directors' Remuneration				
Aggregate Emoluments	96,782	96,829	96,782	96,829

In addition, payments to Whelan and Bailey Limited (as detailed in Note 23) include an element of Directors' Remuneration However, the Directors do not consider it practicable to apportion these payments between Directors' Remuneration and other fees charged to the Group

No pension contributions were made by the Company on behalf of Directors (2006 - £Nil)

16 PENSION COSTS

The Company operates a defined contribution scheme, with the assets of this scheme being held separately from those of the Company in independently administered funds The pensions cost charge represents contributions payable by the Company to the funds and amounted to £5,670 (2006 - £4,620) At the balance sheet date, there were no outstanding or prepaid contributions

17 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Profit/(Loss) on Ordinary Activities Before Taxation is stated after charging/(crediting)				
Operating Lease Rental Income	(10,819,020)	(14,622,614)	-	-
Auditors' Remuneration	8,475	8,325	3,750	3,950
Depreciation	5,091	4,739	4,531	3,992
Loss on Disposal of Fixed Assets	467	2,354	467	2,354
Operating Lease Rentals				
- Hire of Plant and Equipment	9,040	4,956	9,040	4,956
- Other Operating Leases	3,609,727	4,885,326	19,452	19,276

Interest Payable				
On Bank Loans and Overdrafts	598,397	915,529	-	-
On Other Loans	206,814	255,814	-	-
	805,211	1,171,343	-	-

18 TAXATION

(a) Taxation	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Current Tax				
UK Corporation Tax based on the results for the year at Group 30% (2006 – 30%) and Company 30% (2006 – 30%)	1,679,113	2,366,374	1,253	2,524
Over provision in prior year	(659)	(2)	-	-
	1,678,454	2,346,372	1,253	2,524
Receipt for Group losses surrendered	-	-	(53,531)	(6,738)
Total Current Tax (Note 18(b))	1,678,454	2,366,372	(52,278)	(4,214)
Deferred Tax				
Increase in Deferred Tax provision (Note 11)				
Capital Allowances	(76,912)	34,313	-	-
Unrelieved Losses	17	(70)	-	-
Total Deferred Tax	(76,895)	34,243	-	-
Tax on Profit on Ordinary Activities	1,601,559	2,400,615	(52,278)	(4,214)

18 TAXATION (Continued)

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
(b) Factors Affecting Current Tax Charge				
Profit/(Loss) on Ordinary Activities Before Taxation	5,702,331	8,009,180	(173,202)	(16,090)
Profit/(Loss) on Ordinary Activities by rate of tax	1,710,699	2,402,754	(51,961)	(4,827)
Expenses not deductible for Tax purposes	1,522	6,551	625	2,607
Capital Allowances for period in excess of depreciation	(25,900)	(34,869)	(234)	(532)
Adjustment to tax charge in respect of prior periods	(659)	(2)	-	-
Marginal relief and small companies rate	(7,208)	(8,062)	(708)	(1,462)
Total Current Tax (Note 18(a))	1,678,454	2,366,372	(52,278)	(4,214)

19 GROUP ACCOUNTS

The Directors are of the opinion that the Group headed by J T Baylis and Company Limited is a medium-sized group and is not an ineligible group Although Section 248 of the Companies Act 1985 permits Group Accounts not to be prepared in such cases, the Directors consider that a fairer presentation is given if Group Accounts are prepared

20 OPERATING LEASES

Commitments to rentals within the next twelve months in respect of Lease Agreements treated as Operating Leases in these Accounts analysed over the date of expiry of the leases are as follows

	Land and Buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Group				
Lease expiring				
Between two and five years	15,000	15,000	3,345	4,946
After five years	3,615,000	3,710,000	-	-
Company				
Lease expiring				
Between two and five years	15,000	15,000	3,345	4,946

21 ASSETS CHARGED AS SECURITY

a) On 16 February, 2000, J T Baylis and Company Limited, John Baylis Limited, John Baylis Leisure Limited and John Baylis Construction Limited gave joint and several guarantees to the Group's bankers with regard to amounts due by them to the Bankers on or after that date

Amounts due to the Bank at 31 May, 2007 are as follows	2007 £	2006 £
J T Baylis and Company Limited	-	-
John Baylis Limited	-	3,250,000
John Baylis Leisure Limited	4,000,000	4,000,000
John Baylis Construction Limited	-	-
	7,250,000	7,250,000

b) Bank borrowings of John Baylis Limited of £NIL (2006 - £3,250,000) are secured by a debenture dated 2 October 1995 over the underlease for a term of five hundred years dated 2 October 1995 granted by that Company to The Prudential Assurance Company Limited

c) Bank borrowings of John Baylis Leisure Limited of £4,000,000 (2006 - £4,000,000) are secured by a debenture dated 3 December 1997 over the underlease for a term of five hundred years less one day dated 17 October 1997 granted by that Company to The Prudential Assurance Company Limited

22 CONTROLLING PARTY

The Controlling Party is a Trust, The J T Baylis Discretionary Settlement

23 RELATED PARTY TRANSACTIONS

(a) As Group Accounts have been prepared, advantage has been taken of the exemption available under Financial Reporting Standard No 8 not to disclose transactions between Group Companies which have been eliminated on consolidation

(b) John Baylis Limited has continued with its substantial investment jointly with Prudential Assurance Company Limited ("PAC") in the Regional Shopping Centre development at Cribbs Causeway, Bristol Rents and interest receivable amounted to £10,028,148 (2006 - £13,869,909) and £34,785 (2006 - £74,723) respectively

John Baylis Leisure Limited has also continued with its substantial investment jointly with PAC in a Leisure Complex development at Cribbs Causeway, Bristol Rents and interest receivable from PAC amounted to £790,872 (2006 - £752,705) and £34,321 (2006 - £14,012) respectively

At 31 May, 2007 £2,452,925 (2006 - £1,962,727) was owed to the Group by PAC

(c) E Whelan, a Director, has declared his interest in respect of fees charged to the Group by Whelan and Bailey Limited, of which he is a Director, for services rendered to the value of £435,934 (2006 - £415,279) At 31 May, 2007 £15,091 (2006 - £15,091) was owed by the Group

23 RELATED PARTY TRANSACTIONS (continued)

(d) Fees for services provided of £54,900 (2006 - £54,900) have been paid to C G Walton, who is Accountant for the Group and during the year was Company Secretary of all Group Companies At 31 May, 2007 £Nil (2006 - £Nil) was owed by the Group

(e) John Baylis Limited has received a loan from The J T Baylis Discretionary Settlement, the holder of 94% of the shares of J T Baylis and Company Limited and at 31 May, 2007 £2,485,000 (2006 - £3,185,000) loan capital was outstanding Interest of £206,814 (2006 - £225,814) on this loan has been included in these Accounts