

CAMBRIDGESHIRE INDUSTRIAL PROPERTIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

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DIRECTORS: A W Bullen
V R Bullen (deceased 30 July 1999)

SECRETARY: V R Bullen (deceased 30 July 1999)
S Beach (appointed 19 August 1999)

REGISTERED OFFICE: 115c Milton Road
Cambridge
CB4 1XE

REGISTRATION NUMBER: 898696

ACCOUNTANTS: Prentis & Co
Chartered Accountants
& Registered Auditors
115c Milton Road
Cambridge
CB4 1XE



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31st December 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of the letting of Industrial Units.

STATEMENT OF DIRECTORS RESPONSIBILITIES

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:

- i) Select suitable accounting policies and then apply them consistently.
- ii) Make judgements and estimates that are reasonable and prudent.
- iii) 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.

DIRECTORS

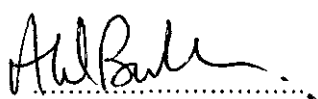
The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	1998	1997
A W Bullen	97	80
V R Bullen (deceased 30 July 1999)	20	20

AUDITORS

The Auditors, Prentis & Co will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board on 21 July 2000 and signed on its behalf.


A W BULLEN
DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical costs convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 at 31st December 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

PRENTIS & CO

CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS115c Milton Road
Cambridge
CB4 1XE

21st July 2000

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

PROFIT AND LOSS ACCOUNT

	Notes	1998 £	1997 £
Turnover	1	337808	383064
Cost of Sales		54270	166058
		<u>283538</u>	<u>217006</u>
Administration expenses		81197	92382
Operating profit	2	<u>202341</u>	<u>124624</u>
Interest payable		121142	95502
Profit on ordinary activities before taxation		<u>81199</u>	<u>29122</u>
Taxation	3	13843	14910
Profit on ordinary activities after taxation		<u>67356</u>	<u>14212</u>
Dividends	4	93500	16500
Retained loss for the year		<u>(26144)</u>	<u>(2288)</u>
Accumulated profit brought forward		105349	107637
Accumulated profit carried forward		<u>79205</u>	<u>105349</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

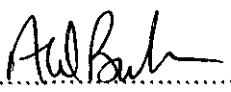
There were no recognised gains and losses for 1998 and 1997 other than those indicated in the Profit and Loss Account.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

BALANCE SHEET

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		11492		2208
Investments	5		2996767		2100713
Investment in subsidiary undertaking	6		514000		-
			<u>3522259</u>		<u>2102921</u>
CURRENT ASSETS					
Debtors	7		<u>86950</u>		<u>273295</u>
CREDITORS: amounts falling due within one year	8		<u>405606</u>		<u>289696</u>
Net Current (Liabilities)			(318656)		(16401)
Total assets less current liabilities			<u>3203603</u>		<u>2086520</u>
CREDITORS: amounts falling due after more than one year	8		<u>1907538</u>		<u>952823</u>
NET ASSETS			<u>1296065</u>		<u>1133697</u>
CAPITAL AND RESERVES					
Called up share capital	10		117		100
Share premium	12		169983		-
Profit and loss Account			79205		105349
Revaluation reserve	11		1046760		1028248
SHAREHOLDERS FUNDS	13		<u>1296065</u>		<u>1133697</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 21 July 2000 and signed on its behalf.



 A W BULLEN
 DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and include the results of the company's operations, which are described in the Directors Report and all of which are continuing. The company and its subsidiary undertaking comprise a small group. The company has taken advantage of the exemption provided by S.248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the Company as an individual undertaking and not about the group.

As permitted by FRS8, transactions between group companies have not been disclosed.

(b) TURNOVER

Turnover represents net invoiced rents and services, excluding VAT.

(c) DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the costs less estimated residual value of each asset over its expected useful life as follows:

Equipment - 25% straight line basis

(d) DEFERRED TAXATION

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of all directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

(e) CASH FLOW STATEMENTS

The company, being a company of small size within the meaning of the Companies Act 1985, has used the exemption provided by Financial Reporting Standard No: 1 under which they are not required to include a cash flow statement as part of their financial statements.

2.	OPERATING PROFIT	1998	1997
		£	£
	This is stated after charging:		
	Depreciation - owned assets	4187	819
	Auditors remuneration	3950	2645
	Directors remuneration	30600	30600
		<hr/>	<hr/>
3.	TAXATION	1998	1997
		£	£
	UK Corporation Tax at 21% (1997 - 21.75%) on the profits for the year	13843	2535
	Underprovision in previous years	-	12375
		<hr/>	<hr/>
		13843	14910
4.	DIVIDENDS	1998	1999
		£	£
	Dividends paid on ordinary shares	93500	16500
		<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

NOTES TO THE FINANCIAL STATEMENTS

5.	TANGIBLE FIXED ASSETS	TANGIBLE ASSETS Equipment £	INVESTMENTS Freehold Land & Buildings £	TOTAL £
	COST OF VALUATION			
	Balance at 1.1.98	7877	2100713	2108590
	Addition	13470	931054	944524
	Disposal	-	(35000)	(35000)
	Balance at 31.12.98	21347	2996767	3018114
	DEPRECIATION			
	Balance at 1.1.98	5669	-	5669
	Charge for the year	4186	-	4186
	Balance at 31.12.98	9855	-	9855
	NET BOOK VALUE at 31.12.98	11492	2996787	3008259
	NET BOOK VALUE at 1.1.98	2208	2100713	2102921

The Freehold land and buildings at Earith only, were valued at £2300000 on 27.6.90 by Westley and Huff, Chartered Surveyors.

The directors estimated at 31.12.91 the value of the Freehold land and buildings at Earith only were £1930000 and that the value of the company's other Freehold land was £100000. They are of the opinion that at 31.12.98 the values had only changed by the amount of the additions since that date.

6.	INVESTMENT IN SUBSIDIARY UNDERTAKING	1998 £	1997 £
	Shares in group undertaking	514000	-

During the year the company acquired 100% of the ordinary share capital of Caxhall Properties Limited, an investment company. No accounts have been prepared for this company since 31st March 1998 and figures for the aggregate amount of share capital and reserves and profit for that year are not available. On acquisition of the company, two freehold properties were transferred to CIP Limited at their market value of £530,000. This amount is included within creditors due after one year

7.	DEBTORS	1998 Due within one year £	1997 Due within one year £
	Rents received	42806	29554
	Trade debtors	-	163855
	Other debtors	-	36569
	Accrued income	-	7033
	Tax deducted at source	9761	9761
	ACT recoverable	34383	26523
		<u>86950</u>	<u>273295</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

NOTES TO THE FINANCIAL STATEMENTS

8.	CREDITORS	1998		1997	
		Due within one year £	Due after one year £	Due within one year £	Due after one year £
	Other creditors	16374	-	7395	-
	Trade creditors	-	-	53678	-
	Bank overdraft	186399	-	119254	-
	Bank loans	126672	1325915	36505	904679
	Directors loans	124	-	420	-
	Other loans	-	51623	-	48144
	Payments received on account	18170	-	34079	-
	Accruals	26760	-	12385	-
	Tax and social security	2404	-	2480	-
	ACT payable	27500	-	20625	-
	Corporation Tax	1203	-	2875	-
	Amount due to subsidiary undertaking	-	530000	-	-
		<u>405606</u>	<u>1907538</u>	<u>289696</u>	<u>952823</u>

CHARGES ON COMPANY ASSETS

The loans on the company are secured by charges on the freehold land and buildings to the company's bankers in respect of all borrowings.

AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

The total amount included in creditors falling due after more than five years is £819228 (1997 - £758658).

SECURITIES GIVEN

The total amount included in creditors for which security has been given is £1638987 (1997 - £1060438).

9.	DEFERRED TAXATION	Provided		Maximum Potential Liability	
		1998 £	1997 £	1998 £	1997 £
	Property valuation	-	-	106154	132910

10.	SHARE CAPITAL	Authorised		Allotted Issued & Fully Paid	
		1998 £	1997 £	1998 £	1997 £
	Ordinary shares of £1 each	117	100	117	100

During the year, 17 ordinary shares of £1 each were issued fully paid for £10000 each. These were issued as part of the consideration given for the acquisition of the share capital in Caxhall Properties Limited.

11.	REVALUATION RESERVE	1998 £	1997 £
	Balance at 1st January 1998	1028248	1009736
	Disposal	18512	18512
	Balance at 31st December 1998	<u>1046760</u>	<u>1028248</u>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

NOTES TO THE FINANCIAL STATEMENTS

12.	SHARE PREMIUM ACCOUNT	1998 £	1997 £
	Arising on shares issued during the year	169983	-
	Balance at 31st December 1998	<u>169983</u>	<u>-</u>
13.	MOVEMENT OF SHAREHOLDERS FUNDS	1998 £	1997 £
	Profit for the financial year after taxation	67356	14212
	Less dividends	93500	16500
		<u>(26144)</u>	<u>(2288)</u>
	Movement on revaluation reserve	18512	18512
	New shares issued during the year	170000	-
		<u>162368</u>	<u>16224</u>
	Opening shareholders funds	1133697	1117473
	Closing shareholders funds	<u>1296065</u>	<u>1133697</u>

14. TRANSACTIONS WITH DIRECTORS

A W Bullen is the proprietor of AB Developments, a construction business from whom the company bought services to the value of £NIL (1997 £112766) on normal commercial terms. During the year, CIP Limited acquired 10 Church Street, Great Wilbraham for £200,000 which was formally owned by Mr A and Mrs V Bullen who are also directors CIP Limited.