

CAMBRIDGESHIRE INDUSTRIAL PROPERTIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

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DIRECTORS: A W Bullen  
R R Bullen

SECRETARY: S Beach

REGISTERED OFFICE: 115c Milton Road  
Cambridge  
CB4 1XE

REGISTRATION NUMBER: 898696

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



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## REPORT OF THE DIRECTORS

The directors presents their report and financial statements for the year ended 31st December 2005.

## PRINCIPAL ACTIVITIES

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

## STATEMENT OF 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 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.

In the case of each of the persons who are directors at the time when the directors report is approved:

- \* so far as the director is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) 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.

## DIRECTORS

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

	2005	2004
A W Bullen	97	97
R R Bullen	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 27th October 2006 and signed on its behalf.

  
.....  
A W BULLEN  
DIRECTOR

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF CAMBRIDGESHIRE INDUSTRIAL PROPERTIES LIMITED

We have audited the financial statements of Cambridgeshire Industrial Properties Limited for the year ended 31st December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared 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 Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 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.

In forming our opinion we have considered the adequacy of the disclosure in note 1 of the financial statements regarding going concern. We consider that this should be drawn to your attention but our opinion is not qualified in this respect.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 2 to the financial statements.

## OPINION

In our opinion the financial statements,

- \* give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2005 and of its profit for the year then ended; and
- \* have been properly prepared in accordance with the Companies Act 1985.

PRENTIS & CO

CHARTERED ACCOUNTANTS  
& REGISTERED AUDITORS

115c Milton Road  
Cambridge  
CB4 1XE

27th Oct 2006

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## PROFIT AND LOSS ACCOUNT

	Notes	2005 £	2004 £
Turnover	1	428367	441411
Administration expenses		139694	196726
Operating profit	2	<u>288673</u>	<u>244685</u>
Interest received		1	1
Interest payable		(147922)	(133067)
Profit on ordinary activities before tax		<u>140752</u>	<u>111619</u>
Tax on profit on ordinary activities	3	8177	3643
Profit on ordinary activities after tax		<u>132575</u>	<u>107976</u>
Dividends	4	144495	51012
Retained (loss)/profit for the year		<u>(11920)</u>	<u>56964</u>
Retained profit brought forward		900252	843288
Retained profit carried forward		<u>888332</u>	<u>900252</u>

The notes on pages 5 to 8 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## BALANCE SHEET

	Notes	2005		2004	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	5		5794807		5595865
Equipment			4048		-
			<u>5798855</u>		<u>5595865</u>
 <b>CURRENT ASSETS</b>					
Debtors	6	332554		296332	
Cash at bank		-		76	
		<u>332554</u>		<u>296408</u>	
 <b>CREDITORS: amounts falling due within one year</b>	7	<u>335303</u>		<u>373807</u>	
Net Current Liabilities			(2749)		(77399)
Total assets less current liabilities			<u>5796106</u>		<u>5518466</u>
 <b>CREDITORS: amounts falling due after more than one year</b>	7		<u>2409594</u>		<u>2120034</u>
<b>NET ASSETS</b>			<u>3386512</u>		<u>3398432</u>
 <b>CAPITAL AND RESERVES</b>					
Called up share capital	9		117		117
Share premium	11		169983		169983
Profit and loss Account			888832		900252
Revaluation reserve	10		<u>2328080</u>		<u>2328080</u>
<b>SHAREHOLDERS FUNDS - all equity</b>	12		<u>3386512</u>		<u>3398432</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, was approved by the Board on 27th October 2006 and signed on its behalf.



A W BULLEN  
DIRECTOR

The notes on pages 5 to 8 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## (a) GOING CONCERN

The financial statements have been prepared under the going concern concept. This may not be appropriate because without the continued support of the company's bank overdraft and bank loan facility the company would cease to trade. The loan and overdraft facilities were reviewed in January 2006 and have been renewed on existing terms until January 2007.

## (b) 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.

## (c) TURNOVER

Turnover represents net invoiced rents and services, excluding VAT.

## (d) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less 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

## (e) DEFERRED TAXATION

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

However, 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 taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

## (f) 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.

## (g) INVESTMENT PROPERTIES

In accordance with Statement of Standard Accounting Practice No 19 investment properties are revalued at the balance sheet date on an open market basis and the aggregate surplus or deficit is transferred to a revaluation reserve. Investment properties have not been depreciated in accordance with Statement of Standard Accounting Practice No 19. Compliance with SSAP 19 is a departure from the Companies Act 1985 necessary to give a true and fair view.

2.	OPERATING PROFIT	2005	2004
		£	£
	This is stated after charging:		
	Depreciation of tangible fixed assets - owned by company	1349	-
	Auditors remuneration	3395	4400
	Directors remuneration	30515	32016
	Pension costs	3000	3000

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## NOTES TO THE FINANCIAL STATEMENTS

3.	TAXATION	2005 £	2004 £
	UK Corporation Tax - current year	8912	3643
	- prior year	(735)	-
		<u>8177</u>	<u>3643</u>

The tax assessed for the period is lower than the standard rate of UK taxation applicable to the company of 19% (2004 - 19%). The differences are explained below:

Profit on ordinary activities before tax	140752	111619
Profit on ordinary activities multiplied by standard rate of 19% (2004 - 19%)	26743	21207
Expenses not deductible for tax purposes	462	2742
Depreciation for period in excess of Capital Allowances	(18293)	(19961)
Small companies marginal tax relief	-	(345)
Current tax charge for the year	<u>8912</u>	<u>3643</u>

4.	DIVIDENDS	2005 £	2004 £
	Equity: Dividends of £1235 (2004: £436) per ordinary share	144495	51012

5.	TANGIBLE FIXED ASSETS	TANGIBLE INVESTMENTS		
		Assets	Freehold Land	
		Equipment	& Buildings	TOTAL
		£	£	£
	COST OR VALUATION			
	Balance at 1.1.05	21347	5595865	5617212
	Additions	5397	198942	204339
	Balance at 31.12.05	<u>26744</u>	<u>5794807</u>	<u>5821551</u>
	DEPRECIATION			
	Balance at 1.1.05	21347	-	21347
	Charge for the year	1349	-	1349
	Balance at 31.12.05	<u>22696</u>	<u>-</u>	<u>22696</u>
	NET BOOK VALUE at 31.12.05	<u>4048</u>	<u>5794807</u>	<u>5798855</u>
	NET BOOK VALUE at 31.12.04	<u>-</u>	<u>5595865</u>	<u>5595865</u>

The freehold land and buildings were revalued to £4810000 in April 2002 with a further valuation on the Land and Building at Elan Business Park in November 2002 which revalued the total land and buildings to £5090000. The valuations were carried out by Barker, Storey, Matthews Chartered Surveyors on an open market basis. Since the valuation further land has been purchased at Elan Business Park at a cost of £35000 and continuous building work costing £669807.

The directors are of the opinion that there has been no material change in value since the date of valuation.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## NOTES TO THE FINANCIAL STATEMENTS

6.	DEBTORS	2005 Due within one year £	2004 Due within one year £
	Trade debtors	161359	146587
	Other debtors	131806	110356
	Tax deducted at source	9761	9761
	ACT recoverable	29628	29628
		<u>332554</u>	<u>296332</u>

7.	CREDITORS	2005 Due within one year £	2005 Due after one year £	2004 Due within one year £	2004 Due after one year £
	Trade creditors	17379	-	-	-
	Other creditors	20613	-	46015	-
	Bank overdraft	3446	-	45180	-
	Bank loans	252000	2338205	252000	2051815
	Directors loans	95	-	100	-
	Other taxes and social security costs	807	-	-	-
	Other loans	-	71389	-	68219
	Payments received on account	6210	-	1469	-
	Accruals	24595	-	25400	-
	Corporation Tax	10158	-	3643	-
		<u>335303</u>	<u>2409594</u>	<u>373807</u>	<u>2120034</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.

## BANK LOANS

Bank loans outstanding at the year end amounted to £2590205 and these are payable in annual instalments plus interest as follows:

	£
Within one year	252000
Between one and two years	252000
Between two and five years	756000
After more than five years	1764000
	<u>3024000</u>
Less: finance charges allocated to future periods	433795
	<u>2590205</u>

## AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

The total amount included in creditors falling due after more than five years is £1764000 (2004 - £1512000).

## SECURITIES GIVEN

The total amount included in creditors for which security has been given is £2599205 (2004 - £2348995).



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## NOTES TO THE FINANCIAL STATEMENTS

## 8. DEFERRED TAXATION

No provision has been made for deferred tax of £374448 (2004 - £402117) arising on the revaluations of properties. This amount would become payable in the event of the properties being sold, but there are no plans to sell them in the foreseeable future.

Deferred tax assets relating to capital allowances on equipment of £4 (20043 - £348) have not been recognised as there are no plans to sell the equipment in the foreseeable future.

## 9. SHARE CAPITAL

	Authorised		Allotted Issued & Fully Paid	
	2005	2004	2005	2004
	£	£	£	£
Ordinary shares of £1 each	120	120	117	117

## 10. REVALUATION RESERVE

	2005	2004
	£	£
- Relating to investment properties		
Balance at 1st January 2005	2328080	2328080
Surplus on revaluation of land and buildings	-	-
Balance at 31st December 2005	2328080	2328080

## 11. SHARE PREMIUM ACCOUNT

	2005	2004
	£	£
Balance at 1st January 2005 and 31st December 2005	169983	169983

## 12. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2004	2004
	£	£
Profit for the financial year after taxation	132575	107976
Less dividends	144495	51012
	(11920)	56964
Opening shareholders funds	3398432	3341468
Closing shareholders funds	3386512	3398432

## 13. RELATED PARTIES

A W Bullen is the proprietor of AB Developments, a construction business from whom the company bought services to the value of £268000 (2004 - £245000) on normal commercial terms. Included in creditors is £18515 (2004 - £46015) in respect of amounts invoiced by AB Developments which were outstanding at 31 December 2005.

A W Bullen is the Director of Tayvin 218 Limited. During the year £30 was paid for services on Tayvin 218 Limited's behalf. The balance outstanding at 31 December 2005 is £50490 (2004 - £50460) and is included within other debtors. The controlling party is A W Bullen by virtue of his ownership of 83% of the issued ordinary share capital in the company.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2005

## TRADING PROFIT AND LOSS ACCOUNT

	2005		2004	
	£	£	£	£
Rents received including services recovered		428367		441411
Interest received		1		1
		<u>428368</u>		<u>441412</u>
Overhead expenses:				
Salaries	17437		17458	
Pension to former employee	3000		3000	
Rates	2458		2945	
Repairs and renewals	40981		96180	
Insurance	18209		7874	
Advertising	700		-	
Loan interest payable	145374		130630	
Bank charges and interest on overdraft	22285		3302	
Bad debts	-		2331	
Audit fees	3395		4400	
Legal and professional	-		26512	
Depreciation	1349		-	
Miscellaneous	1913	257101	244	294876
		<u>171267</u>		<u>146536</u>
Directors remuneration	28014		32016	
Directors National Insurance	2501	30515	2901	34917
NET PROFIT FOR THE YEAR		<u>140752</u>		<u>111619</u>