

CAMBRIDGESHIRE INDUSTRIAL PROPERTIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

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DIRECTORS:

A W Bullen
V R Bullen

SECRETARY:

V R Bullen

REGISTERED OFFICE:

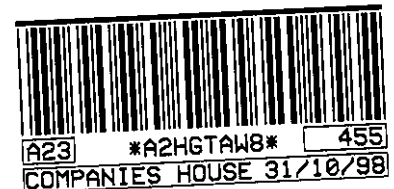
115c Milton Road
Cambridge
CB4 1XE

REGISTRATION NUMBER:

898696

AUDITORS:

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



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st December 1997.

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.

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

	1997	1996
A W Bullen	80	80
V 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 29 October 1998 and signed on its behalf.


V R BULLEN
DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost 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 1997 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 AUDITORS

115c Milton Road
Cambridge
CB4 1XE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

PROFIT AND LOSS ACCOUNT

	Notes	1997 £	1996 £
Turnover	1	383064	252481
Cost of Sales		166058	7431
		<hr/>	<hr/>
		217006	245050
Administrative expenses		92382	46811
		<hr/>	<hr/>
Operating profit	2	124624	198239
Interest payable		95502	101390
		<hr/>	<hr/>
Profit on ordinary activities before taxation		29122	96849
Taxation	3	14910	1942
		<hr/>	<hr/>
Profit on ordinary activities after taxation		14212	94907
Dividends	4	16500	66000
		<hr/>	<hr/>
Retained (loss)/profit for the year		(2288)	28907
Accumulated profit brought forward		107637	78730
		<hr/>	<hr/>
Accumulated profit carried forward		105349	107637
		<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses for 1997 or 1996 other than those indicated in the Profit and Loss Account.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

BALANCE SHEET

	Notes	1997 £	1996 £
FIXED ASSETS	5		
Tangible assets		2208	750
Investments		2100713	2135713
		<hr/>	<hr/>
		2102921	2136463
CURRENT ASSETS			
Debtors	6	273295	111847
CREDITORS: amounts falling due within one year	7	289696	143471
		<hr/>	<hr/>
Net Current (Liabilities)/Assets		(16401)	(31624)
Total assets less current liabilities		<hr/>	<hr/>
		2086520	2104839
CREDITORS: amounts falling due after more than one year	7	952823	987366
		<hr/>	<hr/>
NET ASSETS		1133697	1117473
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		105349	107637
Revaluation reserve	10	1028248	1009736
		<hr/>	<hr/>
SHAREHOLDERS FUNDS	11	1133697	1117473
		<hr/>	<hr/>

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 29 October 1998 and signed on its behalf.



V R BULLEN
DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

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.

(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	1997	1996
		£	£
	This is stated after charging:		
	Depreciation - owned assets	819	250
	Auditors remuneration	2645	3050
	Directors remuneration	30600	27000
		<hr/>	<hr/>
3.	TAXATION	1997	1996
		£	£
	UK Corporation tax at 21.75% on the profits for the year	2535	1942
	Underprovision in previous years	12375	-
		<hr/>	<hr/>
		14910	1942
		<hr/>	<hr/>
4.	DIVIDENDS	1997	1996
		£	£
	Dividends paid on ordinary shares	16500	66000
		<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

NOTES TO THE FINANCIAL STATEMENTS

5. TANGIBLE FIXED ASSETS	TANGIBLE INVESTMENTS		TOTAL
	ASSETS Equipment £	Freehold Land & Buildings £	
COST OF VALUATION			£
Balance at 1.1.97	5600	2135713	2141313
Addition	2277	-	2277
Disposal	-	35000	35000
Balance at 31.12.97	7877	2100713	2108590
DEPRECIATION			
Balance at 1.1.97	4850	-	4850
Charge for the year	819	-	819
Balance at 31.12.97	5669	-	5669
NET BOOK VALUE AT 31.12.97	2208	2100713	2102921
AT 1.1.97	750	2135713	2136463

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 31.12.97 the values had only changed by the amount of the additions since that date.

6. DEBTORS	1997	1996
	Due within one year £	Due within one year £
Rents receivable	29554	58591
Trade debtors	163855	-
Other debtors	36569	4718
Accrued income	7033	4344
Tax deducted at source	9761	20194
ACT recoverable	26523	24000
	<hr/>	<hr/>
	273295	111847
	<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

NOTES TO THE FINANCIAL STATEMENTS

7. CREDITORS	1997		1996	
	Due within one year £	Due after one year £	Due within one year £	Due after one year £
Other creditors	7395	-	-	-
Trade creditors	53678	-	-	-
Bank overdraft	119254	-	38655	-
Bank loans	36505	904679	35501	942189
Directors loans	420	-	374	-
Other loans	-	48144	-	45177
Payments received on account	34079	-	27613	-
Accruals	12385	-	13621	-
Tax and social security	2480	-	3707	-
ACT payable	20625	-	24000	-
Corporation tax	2875	-	-	-
	<hr/>		<hr/>	
	289696	952823	143471	987366
	<hr/>		<hr/>	

CHARGES ON COMPANY ASSETS

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

AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

The total amount included in creditors falling due after more than five years is £758658 (1996 - £800183).

SECURITIES GIVEN

The total amount included in creditors for which security has been given is £1060438 (1996 - £1016345).

8. DEFERRED TAXATION	Provided		Maximum Potential Liability	
	1997 £	1996 £	1997 £	1996 £
Property valuation	-	-	132910	160535
	<hr/>	<hr/>	<hr/>	<hr/>
9. SHARE CAPITAL	Authorised		Allotted Issued & Fully Paid	
	1997 £	1996 £	1997 £	1996 £
Ordinary shares of £1 each	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>
10. REVALUATION RESERVE			1997 £	1996 £
Balance at 1st January 1997			1009736	1009736
Disposal			18512	-
			<hr/>	<hr/>
Balance at 31 st December 1997			1028248	1009736
			<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

NOTES TO THE FINANCIAL STATEMENTS

11. MOVEMENT OF SHAREHOLDERS FUNDS	1997 £	1996 £
Profit for the financial year after taxation	14212	94907
Less dividends	16500	66000
	<hr/>	<hr/>
Movement on revaluation reserve	(2288) 18512	28907 -
	<hr/>	<hr/>
Opening shareholders funds	16224 1117473	28907 1088566
	<hr/>	<hr/>
Closing shareholders funds	1133697	1117473
	<hr/>	<hr/>

11. 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 £112766 (1996 - £28344) on normal commercial terms.