

CAMBRIDGESHIRE INDUSTRIAL PROPERTIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

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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 2002

REPORT OF THE DIRECTORS

The directors presents their report and financial statements for the year ended 31st December 2002.

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

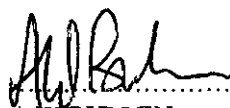
The directors in office in the year and his beneficial interest in the company's issued ordinary share capital was as follows:

	2002	2001
A W Bullen	97	97
R R Bullen (appointed 31.12.2002)	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 23rd October 2003.
and signed on its behalf.


A W BULLEN
DIRECTOR

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

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 2002 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 United Kingdom 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.

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year the ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.



PRENTIS & CO

CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS

115c Milton Road
Cambridge
CB4 1XE

23rd October 2003.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

PROFIT AND LOSS ACCOUNT

	Notes	2002 £	2001 £
Turnover	1	320892	310561
Administration expenses		<u>115357</u>	<u>88389</u>
Operating profit	2	205535	222172
Interest payable		<u>(102187)</u>	<u>(109850)</u>
Profit on ordinary activities before tax		103348	112322
Tax on profit on ordinary activities	3	<u>9789</u>	<u>19387</u>
Profit on ordinary activities after tax		93559	92935
Dividends	4	<u>72427</u>	<u>36504</u>
Retained profit for the year		21132	56431
Accumulated profit brought forward		<u>738822</u>	<u>682391</u>
Accumulated profit carried forward		<u>759954</u>	<u>738822</u>

The notes on pages 6 to 9 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2002 £	2001 £
Profit for the financial year	21132	56431
Unrealised surplus on revaluation of properties	1368437	-
Total recognised gains and losses relating to the year	<u>1389569</u>	<u>56431</u>

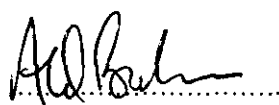
The notes on pages 6 to 9 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

BALANCE SHEET

	Notes	2002 £	£	2001 £	£
FIXED ASSETS					
Tangible assets	5		-		-
Investments	5		5125000		3581615
			<u>5125000</u>		<u>3581615</u>
CURRENT ASSETS					
Debtors	6	293604		254022	
Cash at bank		73		73	
		<u>293677</u>		<u>254095</u>	
CREDITORS: amounts falling due within one year	7	208192		373248	
Net Current Assets/(Liabilities)			85485		(119153)
Total assets less current liabilities			<u>5210485</u>		<u>3462462</u>
CREDITORS: amounts falling due after more than one year	7		1952351		1593897
NET ASSETS			<u>3258134</u>		<u>1868565</u>
CAPITAL AND RESERVES					
Called up share capital	9		117		117
Share premium	11		169983		169983
Profit and loss Account			759954		738822
Revaluation reserve	10		2328080		959643
SHAREHOLDERS FUNDS - all equity	12		<u>3258134</u>		<u>1868565</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 ~~23rd October 2003~~ and signed on its behalf.



A W BULLEN
DIRECTOR

The notes on pages 6 to 9 form part of these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

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 2003 and have been renewed on existing terms until 31 December 2003.

(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	2002	2001
		£	£
	This is stated after charging:		
	Depreciation - owned assets	-	3367
	Auditors remuneration	9347	6712
	Directors remuneration	12000	15930
	Pension costs	3000	3000
		<hr/>	<hr/>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTES TO THE FINANCIAL STATEMENTS

3.

TAXATION	2002 £	2001 £
UK Corporation Tax - current year	9789	19387

The tax assessed for the period is lower than the standard rate of UK taxation applicable to the company of 19.25% (2001 - 20%). The differences are explained below:

Profit on ordinary activities before tax	103348	112322
Profit on ordinary activities multiplied by standard rate of 19.25% (2001 - 20%)	19894	22464
Expenses not deductible for tax purposes	487	1216
Depreciation for period in excess of Capital Allowances	(10592)	(4293)
	9789	19387

4.

DIVIDENDS	2002 £	2001 £
Equity: Dividends on ordinary shares	72427	36504

5.

TANGIBLE FIXED ASSETS	TANGIBLE INVESTMENTS		
	ASSETS		
	Equipment	Freehold Land & Buildings	TOTAL
	£	£	£
COST OR VALUATION			
Balance at 1.1.02	21347	3581615	3602962
Addition	-	174948	174948
Revaluation	-	1368437	1368437
Balance at 31.12.02	21347	5125000	5146347
DEPRECIATION			
Balance at 1.1.02	21347	-	21347
Charge for the year	-	-	-
Balance at 31.12.02	21347	-	21347
NET BOOK VALUE at 31.12.02	-	5125000	5125000
NET BOOK VALUE at 31.12.01	-	3581615	3581615

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.

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 2002

NOTES TO THE FINANCIAL STATEMENTS

6.	DEBTORS	2002		2001	
		Due within one year £		Due within one year £	
	Prepayments	-		9500	
	Trade debtors	148425		109153	
	Other debtors	105790		95980	
	Tax deducted at source	9761		9761	
	ACT recoverable	29628		29628	
		<u>293604</u>		<u>254022</u>	
7.	CREDITORS	2002		2001	
		Due within one year £	Due after one year £	Due within one year £	Due after one year £
	Other creditors	37792	-	74659	-
	Bank overdraft	7214	-	29388	-
	Bank loans	115500	1889324	135500	1533294
	Directors loans	90	-	11	-
	Other loans	-	63027	-	60603
	Payments received on account	16893	-	47295	-
	Accruals	20800	-	29868	-
	Tax and social security	343	-	3754	-
	Corporation Tax	9560	-	46533	-
	Dividends payable	-	-	6240	-
		<u>208192</u>	<u>1952351</u>	<u>373248</u>	<u>1593897</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 £2004824 and these are payable in annual instalments plus interest as follows:

	£
Within one year	235500
Between one and two years	235500
Between two and five years	706500
After more than five years	<u>1648500</u>
	2826000
Less: finance charges allocated to future periods	<u>821176</u>
	<u>2004824</u>

AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS

The total amount included in creditors falling due after more than five years is £1648500 (2001 - £1061979).

SECURITIES GIVEN

The total amount included in creditors for which security has been given is £2012038 (2001 - £1698182).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

NOTES TO THE FINANCIAL STATEMENTS

8. DEFERRED TAXATION

No provision has been made for deferred tax of £494767 (2001 - £109944) 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 £618 (2001 - £868) 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	
	2002	2001	2002	2001
	£	£	£	£
Ordinary shares of £1 each	<u>120</u>	<u>120</u>	<u>117</u>	<u>117</u>

10. REVALUATION RESERVE

	2002	2001
	£	£
- Relating to investment properties		
Balance at 1st January 2002	959643	959643
Surplus on revaluation of land and buildings	<u>1368437</u>	<u>-</u>
Balance at 31st December 2002	<u>2328080</u>	<u>959643</u>

11. SHARE PREMIUM ACCOUNT

	2002	2001
	£	£
Balance at 1st January 2002 and 31st December 2002	<u>169983</u>	<u>169983</u>

12. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2002	2001
	£	£
Profit for the financial year after taxation	93559	92935
Less dividends	<u>72427</u>	<u>36504</u>
	<u>21132</u>	<u>56431</u>
Other recognised gains and losses	<u>1368437</u>	<u>-</u>
Net additions during the year	<u>1389569</u>	<u>56431</u>
Opening shareholders funds	<u>1868565</u>	<u>1812134</u>
Closing shareholders funds	<u>3258134</u>	<u>1868565</u>

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 £164425 (2001 - £409100) on normal commercial terms.

Included in other creditors is £nil (2001 - £60000) in respect of amounts invoiced by AB Developments which were outstanding at 31 December 2002.

Included in other debtors is £13985 (2001 - £nil) in respect of amounts paid in advance to AB Developments at 31 December 2002.

A W Bullen is the Director of Tayvin 218 Limited. During the year £235 was paid for services on Tayvin 218 Limited's behalf. The balance outstanding at 31 December 2002 is £50235 (2001 - £50000) 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 2002

TRADING PROFIT AND LOSS ACCOUNT

	2002		2001	
	£	£	£	£
Rents received including services recovered		320892		310561
Overhead expenses:				
Repairs and renewals	11586		558	
Salaries	15561		13957	
Pension to former employer	3000		3000	
Rates	13080		9606	
Insurance	17044		7366	
Loan interest payable	99704		106942	
Bank charges and interest on overdraft	11483		8835	
Agents fees	-		699	
Bad debts	5846		-	
Audit fees	9347		6712	
Legal and professional	16504		13143	
Telephone	-		2302	
Miscellaneous	1445		4466	
Depreciation	-	204600	3367	180953
		<u>116292</u>		<u>129608</u>
Directors remuneration	12000		15930	
Directors National Insurance	944	12944	1356	17286
NET PROFIT FOR THE YEAR		<u>103348</u>		<u>112322</u>