

**ARLINGTON INDUSTRIAL PARKS LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**



# ARLINGTON INDUSTRIAL PARKS LIMITED

## DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

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# **ARLINGTON INDUSTRIAL PARKS LIMITED**

## **DIRECTOR'S REPORT**

The Director presents his report and the audited financial statements of the company for the year ended 31 December 1996.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity is property management and development. The company continues to look for opportunities for future developments.

### **RESULTS AND DIVIDENDS**

The loss for the year after taxation amounted to £530,447 (1995: £101,076). The director did not recommend a final dividend for payment (1995: £nil); accordingly £530,447 (1995: £101,076) is transferred from reserves.

### **DIRECTORS**

The following served as Directors during the year:

P Deigman  
I D Ferguson (resigned 25 September 1996)

The Director who held office at 31 December 1996 did not hold any beneficial interests in the shares of the company at any time in the year.

The interests of Mr. Patrick Deigman in the shares of the ultimate parent company, British Aerospace Public Limited Company are shown in the accounts of the immediate parent company, Arlington Securities Plc.

Directors and Officers Liability Indemnity cover is maintained by the ultimate parent company, British Aerospace Public Limited Company.

### **COMPANY STATUS**

The company is not a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

# ARLINGTON INDUSTRIAL PARKS LIMITED

## DIRECTOR'S REPORT (Continued)

### STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board



**S Lyne**  
*Secretary*  
16 April 1997

# ARLINGTON INDUSTRIAL PARKS LIMITED

## REPORT OF THE AUDITORS, KPMG AUDIT PLC

### TO THE MEMBERS OF

### ARLINGTON INDUSTRIAL PARKS LIMITED

We have audited the financial statements on pages 4 to 7.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit of 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 as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc  
Chartered Accountants  
Registered Auditors

16 April 1997

Arlington Business Park  
Theale, Reading  
Berkshire, RG7 4SD

# ARLINGTON INDUSTRIAL PARKS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

	Note	1996 £	1995 £
Administrative expenses	2	(47)	-
Other operating expenses	3	(530,400)	(101,076)
		<hr/>	<hr/>
RETAINED LOSS FOR THE YEAR	7	(530,447)	(101,076)
		<hr/> <hr/>	<hr/> <hr/>

The company has no recognised gains or losses for the year other than the losses shown above.  
All figures relate to continuing activities.

# ARLINGTON INDUSTRIAL PARKS LIMITED

## BALANCE SHEET AT 31 DECEMBER 1996

	Note	1996 £	1995 £
CURRENT ASSETS			
Developments	5	-	530,400
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts owed to parent company		(725,843)	(725,796)
NET LIABILITIES		<u>(725,843)</u>	<u>(195,396)</u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account	7	(725,943)	(195,496)
		<u>(725,843)</u>	<u>(195,396)</u>

The financial statements were approved by the board of directors on 16 April 1997 and were signed on their behalf by :



} P Deigman

# ARLINGTON INDUSTRIAL PARKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### a) Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards. In addition, the financial statements have been prepared on a going concern basis as the immediate parent company, Arlington Securities Plc, has indicated that it intends to provide such funds as are necessary for the company to meet its liabilities as they fall due for the foreseeable future.

#### b) Deferred taxation

Provision is made at the appropriate rates for deferred taxation arising from timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future.

#### c) Developments

Developments are included in the balance sheet at the lower of cost and net realisable value. Cost includes direct costs specifically attributable to the development. Profits on sales are recognised only when title passes or a separately identifiable phase of the development has been completed and the overall profitability of the development can be reasonably foreseen.

#### d) Pre-acquisition property costs

Costs expended in investigating the feasibility of acquiring or developing property are written off to the profit and loss account unless there is reasonable expectation of the development continuing profitably.

#### e) Interest

Interest is expensed through the profit and loss account.

### 2. ADMINISTRATIVE EXPENSES

The director received no emoluments in respect of services provided to the company (1995: £nil). There were no audit fees charged in the year (1995: £nil).

### 3. OTHER OPERATING EXPENSES

These comprise abortive costs on a development which did not proceed.

### 4. TAXATION

The company surrenders group relief free of charge and no taxation therefore arises in the profit and loss account.

### 5. DEVELOPMENTS

	1996 £	1995 £
Land, construction and related costs	-	477,434
Overheads	-	52,966
	<hr/>	<hr/>
	-	530,400
	<hr/>	<hr/>



# ARLINGTON INDUSTRIAL PARKS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised, allotted and fully paid: 100 ordinary shares of £1 each	100	100

### 7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total £
As at 1 January 1996	100	(195,496)	(195,396)
Movements during the year	-	(530,447)	(530,447)
As at 31 December 1996	100	(725,943)	(725,843)

### 8. CASHFLOW STATEMENT

The Company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cashflow statement as it is a wholly owned subsidiary undertaking of Arlington Securities plc and its cashflows are incorporated within the consolidated cashflow statement of that company.

### 9. ULTIMATE PARENT COMPANY

The immediate parent company is Arlington Securities Plc, a company incorporated in Great Britain and registered in England and Wales. The smallest group in which the accounts are consolidated is that headed by Arlington Securities plc.

The ultimate parent company is British Aerospace Public Limited Company, a company incorporated in Great Britain and registered in England and Wales. The largest group in which the accounts are consolidated is that headed by British Aerospace Public Limited Company.

Copies of the consolidated financial statements of the above companies may be obtained from their respective registered offices as follows:

Arlington Securities Plc  
Arlington House  
Arlington Business Park  
Theale  
Reading RG7 4SA

British Aerospace Plc  
Warwick House  
Farnborough Aerospace Centre  
Farnborough  
Hampshire GU14 6YU