

Company Registration No. 2457862 (England and Wales)

NEW FOREST INDUSTRIAL ASSOCIATION
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004



NEW FOREST INDUSTRIAL ASSOCIATION

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities

The company owns and manages 68 small industrial units at Rushington Business Park, Totton, with the intention of promoting new business within the community. The units were specially designed with new and expanding businesses in mind and the company lets them on short term licences.

The New Forest District Council has agreed to continue to provide financial support for the company to enable it to fulfil its objectives.

Results and dividends

The results for the year are shown on page 3.

The company's Memorandum of Association prohibits the payment of dividends.

Directors

The following directors have held office since 1 April 2003:

D S Burdle

G E Hudson-Davies

D J Robberts

(Resigned 10 January 2004)

J Nicholson

D N Ferrier

J E Snaith

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

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:

-select suitable accounting policies and then apply them consistently;

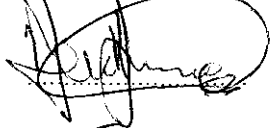
-make judgements and estimates that are reasonable and prudent;

-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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


12 July 2004

D S. Burdle

NEW FOREST INDUSTRIAL ASSOCIATION

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NEW FOREST INDUSTRIAL ASSOCIATION

We have audited the financial statements of New Forest Industrial Association on pages 3 to 9 for the year ended 31 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 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 misstatements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


HLB AV Audit Plc
Registered Auditor

19 July 2004
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Charter Court
Third Avenue
Southampton
Hampshire
SO15 0AP

NEW FOREST INDUSTRIAL ASSOCIATION

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	2004 £	2003 £
Turnover		583,919	575,533
Administrative expenses		(370,026)	(334,489)
Other operating income		2,844	2,844
Operating profit	3	216,737	243,888
Other interest receivable and similar income	4	5,002	2,187
Interest payable and similar charges	5	(237,057)	(254,652)
Loss on ordinary activities before taxation		(15,318)	(8,577)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	11	(15,318)	(8,577)

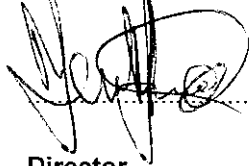
NEW FOREST INDUSTRIAL ASSOCIATION

BALANCE SHEET AS AT 31 MARCH 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	7		1,893,507		1,937,323
Current assets					
Debtors	8	43,298		17,695	
Cash at bank and in hand		313,157		341,816	
		<u>356,455</u>		<u>359,511</u>	
Creditors: amounts falling due within one year	9	<u>(283,227)</u>		<u>(280,101)</u>	
Net current assets			<u>73,228</u>		<u>79,410</u>
Total assets less current liabilities			1,966,735		2,016,733
Creditors: amounts falling due after more than one year	10		<u>(2,885,278)</u>		<u>(2,919,958)</u>
			<u>(918,543)</u>		<u>(903,225)</u>
Capital and reserves					
Profit and loss account	11		<u>(918,543)</u>		<u>(903,225)</u>
Shareholders' funds			<u>(918,543)</u>		<u>(903,225)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 12 July 2004



Director

D.S. Bundle

NEW FOREST INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1 Company status

New Forest Industrial Association is a company limited by guarantee. The members have each undertaken to contribute such sums as may be required, not exceeding £1, in the event of the company being wound up.

2 Accounting policies

2.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

2.2 Turnover

Turnover represents rents receivable for the period, net of VAT.

2.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Buildings Leasehold	2% per annum straight line basis
Fittings, fittings & equipment	15% per annum reducing balance basis

2.4 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2.5 Interest Payable

Interest payable is charged to the profit and loss account in the accounting period to which it relates on the accruals basis.

2.6 Indexation on Long Term loan

The company has an index-linked loan facility. The additional liability arising from indexation each year is treated as interest payable and accounted for appropriately.

2.7 Grants

Grants in respect of revenue expenditure are credited to the profit and loss account in the period to which they relate. Grants towards capital expenditure are treated as deferred income and credited to the profit and loss account by instalments over the expected economic life of the asset for which the grant was made.

NEW FOREST INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

3	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	51,616	51,814
	Auditors' remuneration	2,400	3,000
	Directors' emoluments	6,000	-
	and after crediting:		
	Government grants	2,844	2,844
		<u>237,057</u>	<u>254,652</u>
4	Investment income	2004	2003
		£	£
	Bank interest	5,002	2,187
		<u>5,002</u>	<u>2,187</u>
5	Interest payable	2004	2003
		£	£
	Included in interest payable is the following amount:		
	On loans not wholly repayable within 5 years	162,466	164,533
	Indexation of long term loan	74,591	88,611
	Hire purchase interest paid	-	1,508
		<u>237,057</u>	<u>254,652</u>
6	Taxation		
	The company has no liability to taxation for the year.		

NEW FOREST INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

7 Tangible fixed assets

	Land and buildings £	Other tangible fixed assets £	Total £
Cost			
At 1 April 2003	2,478,893	39,742	2,518,635
Additions	7,800	-	7,800
At 31 March 2004	2,486,693	39,742	2,526,435
Depreciation			
At 1 April 2003	555,170	26,142	581,312
Charge for the year	49,576	2,040	51,616
At 31 March 2004	604,746	28,182	632,928
Net book value			
At 31 March 2004	1,881,947	11,560	1,893,507
At 31 March 2003	1,923,723	13,600	1,937,323

The net book value of other tangible fixed assets includes £- (2003- £7,707) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £- (2003- £1,360) for the year.

Cost includes construction costs, professional fees relating to the property and building contract together with the net cost of fundings and administering the project up until the date the buildings were completed.

8 Debtors

	2004 £	2003 £
Trade debtors	29,571	17,089
Prepayments and accrual income	13,727	606
	43,298	17,695

NEW FOREST INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

9	Creditors: amounts falling due within one year	2004 £	2003 £
	Net obligations under hire purchase contracts	-	1,587
	Trade creditors	16,214	59,956
	Taxation and social security	22,749	20,395
	Other creditors	244,264	198,163
		<u>283,227</u>	<u>280,101</u>

10	Creditors: amounts falling due after more than one year	2004 £	2003 £
	Other creditors	<u>2,885,278</u>	<u>2,919,958</u>

Analysis of loans

Not wholly repayable within five years by instalments	2,901,650	2,925,249
Wholly repayable within five years	<u>89,342</u>	<u>92,186</u>
	2,990,992	3,017,435
Included in current liabilities	<u>(105,714)</u>	<u>(97,477)</u>
	<u>2,885,278</u>	<u>2,919,958</u>
Instalments not due within five years	<u>-</u>	<u>-</u>

The company obtained a loan of £2.7million from Prudential Assurance Company Limited on 30 November 1990. The loan is repayable by instalments over a 30 year period.

The company is obliged to pay an additional charge on the loan representing changes in the retail price index. This is incorporated in the instalments noted above. In addition, interest is payable at the rate of 5.61% on the indexed value of the loan.

The loan is secured by a debenture over the company's assets supported by a guarantee provided by the New Forest District Council.

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2003	(903,225)
Retained loss for the year	<u>(15,318)</u>
Balance at 31 March 2004	<u>(918,543)</u>

NEW FOREST INDUSTRIAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2004

12 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Between two and five years	-	-	1,900	1,900
In over five years	50,000	50,000	-	-
	<u>50,000</u>	<u>50,000</u>	<u>1,900</u>	<u>1,900</u>

The property lease expires in 2140.

13 Capital commitments

2004	2003
£	£

At 31 March 2004 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	<u>40,000</u>	<u>-</u>
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