
BRIDE PARKS INDUSTRIAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2004



RAWLINSON & HUNTER

Chartered Accountants
Eagle House 110 Jermyn Street London SW1Y 6RH

BRIDE PARKS INDUSTRIAL LIMITED

COMPANY INFORMATION

DIRECTORS	M J Morrison M Hamilton J N Burns
SECRETARY	M J Morrison
COMPANY NUMBER	3341780
REGISTERED OFFICE	104 Park Street London W1K 6NF
AUDITORS	Rawlinson & Hunter Chartered Accountants & Registered Auditor Eagle House 110 Jermyn Street London SW1Y 6RH

BRIDE PARKS INDUSTRIAL LIMITED

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BRIDE PARKS INDUSTRIAL LIMITED

DIRECTORS' REPORT For the year ended 30 June 2004

The directors present their report and the financial statements for the year ended 30 June 2004.

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:

- 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of property trading and development and financing property projects.

The directors consider the current position and performance of the business to be satisfactory.

DIRECTORS

The directors who served during the year were:

M J Morrison
M Hamilton
J N Burns

No director had an interest in the share capital of the company at the beginning and end of the year.

AUDITORS


The auditors, Rawlinson & Hunter, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies under section 246 of the Companies Act 1985.

This report was approved by the board on 13 April 2005 and signed on its behalf.

Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BRIDE PARKS INDUSTRIAL LIMITED

We have audited the financial statements of Bride Parks Industrial Limited for the year ended 30 June 2004 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. These financial statements have been prepared 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 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 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Raulson & Hunter,
Chartered Accountants
Registered Auditor

Eagle House
110 Jermyn Street
London
SW1Y 6RH

22 April 2005

BRIDE PARKS INDUSTRIAL LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2004

	Note	2004 £	2003 £
TURNOVER	1, 2	7,357	4,867,679
Cost of sales		<u>(4,390)</u>	<u>(4,715,501)</u>
GROSS PROFIT		2,967	152,178
Administrative expenses - recurring		(452,022)	(1,641)
Administrative expenses - write off of loan balance	3, 7	<u>(250,000)</u>	<u>-</u>
OPERATING (LOSS)/PROFIT	3	(699,055)	150,537
Interest receivable		1,422,023	1,355,683
Interest payable	5	<u>(15,758)</u>	<u>(13,886)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		707,210	1,492,334
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(477,117)</u>	<u>(370,159)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	12	<u>£ 230,093</u>	<u>£ 1,122,175</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

BRIDE PARKS INDUSTRIAL LIMITED

BALANCE SHEET
As at 30 June 2004

	Note	£	2004	£	£	2003	£
FIXED ASSETS							
Investments	7			6,555,623			12,215,001
CURRENT ASSETS							
Debtors	8	606,982			7,030,970		
Cash at bank		17,028,309			1,284,280		
				<u>17,635,291</u>		<u>8,315,250</u>	
CREDITORS: amounts falling due within one year	9	(510,051)			(1,029,481)		
NET CURRENT ASSETS				<u>17,125,240</u>			<u>7,285,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>23,680,863</u>			<u>19,500,770</u>
CREDITORS: amounts falling due after more than one year	10			(21,865,000)		(17,915,000)	
NET ASSETS				<u>£ 1,815,863</u>		<u>£ 1,585,770</u>	
CAPITAL AND RESERVES							
Called up share capital	11			100			100
Profit and loss account	12			1,815,763			1,585,670
SHAREHOLDERS' FUNDS - All Equity	13			<u>£ 1,815,863</u>		<u>£ 1,585,770</u>	

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies under section 246 and schedule 8 of the Companies Act 1985.

The financial statements were approved by the board on 13 April 2005 and signed on its behalf.



Director

The notes on pages 5 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

1.2 Consolidation

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.4 Turnover

Turnover represents property sales and rents, excluding value added tax, receivable during the year.

1.5 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. TURNOVER

The whole of the turnover is attributable to property sales and rents.

All turnover arose within the United Kingdom.

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2004	2003
	£	£
Auditors' remuneration	4,930	2,300
Write off of loan with related company	250,000	-
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	2004	2003
	£	£
Aggregate emoluments	£ -	£ -
	<u> </u>	<u> </u>

BRIDE PARKS INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

5. INTEREST PAYABLE

	2004	2003
	£	£
On related company loan	5,357	13,886
Other interest payable	10,401	-
	<u>£ 15,758</u>	<u>£ 13,886</u>

6. TAXATION

	2004	2003
	£	£
Analysis of tax charge in year		
UK corporation tax charge on profits of the year	180,535	447,700
Payment for group relief	297,536	-
Over provision in relation to earlier years	(954)	(77,541)
Tax on profit on ordinary activities	<u>£ 477,117</u>	<u>£ 370,159</u>

Factors affecting tax charge for year

The tax assessed for the year is higher (2003 - lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>707,210</u>	<u>1,492,334</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2003 - 30%)	212,163	447,700
Effects of:		
Group relief claimed	(31,628)	-
Payment for group relief	297,536	-
Adjustments to tax charge in respect of prior periods	(954)	(77,541)
Current tax charge for year (see note above)	<u>£ 477,117</u>	<u>£ 370,159</u>

There were no factors that may affect future tax charges.

BRIDE PARKS INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

7. FIXED ASSET INVESTMENTS

	Shares in group under- takings £	Loans to related companies £	Total £
Cost			
At 1 July 2003	1	12,215,000	12,215,001
Additions	1	3,805,621	3,805,622
Repaid in the year	-	(9,215,000)	(9,215,000)
Amounts written off	-	(250,000)	(250,000)
At 30 June 2004	<u>£ 2</u>	<u>£ 6,555,621</u>	<u>£ 6,555,623</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Bride Parks Group Limited, a 100% owned subsidiary, the principal activity of which is to act as a holding company of its own subsidiary undertaking, Bride Parks Oxford Limited.

8. DEBTORS

	2004 £	2003 £
Due after more than one year		
Prepayments and accrued income	481,365	2,068,248
Due within one year		
Trade debtors	-	4,852,123
Amounts owed by group companies	-	32,500
Other debtors	80,327	76,241
Prepayments and accrued income	45,290	1,858
	<u>£ 606,982</u>	<u>£ 7,030,970</u>

9. CREDITORS:
Amounts falling due within one year

	2004 £	2003 £
Trade creditors	375,694	2,068
Amounts owed to group companies	125,000	485,987
Corporation tax	-	447,700
Other creditors	-	2,379
Accruals and deferred income	9,357	91,347
	<u>£ 510,051</u>	<u>£ 1,029,481</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

10. CREDITORS:
Amounts falling due after more than one year

	2004 £	2003 £
Amounts owed to parent company	<u>£21,865,000</u>	<u>£17,915,000</u>

The loan from the parent company is unsecured and interest free. Repayment, as confirmed by Islay Investments Limited, is not due until after 30 June 2005.

11. SHARE CAPITAL

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

12. RESERVES

Profit and loss account	£
At 1 July 2003	1,585,670
Profit retained for the year	230,093
	<u> </u>
At 30 June 2004	<u>£ 1,815,763</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the year	230,093	1,122,175
	<u>230,093</u>	<u>1,122,175</u>
Opening shareholders' funds	1,585,770	463,595
Closing shareholders' funds	<u>£ 1,815,863</u>	<u>£ 1,585,770</u>

BRIDE PARKS INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2004

14. RELATED PARTY TRANSACTIONS

Details of balances and transactions with related companies are noted below:

	30 June 2004	30 June 2003
	£	£
INVESTMENTS - loans to related and group undertakings		
Skelton Group Limited	-	9,465,000
Bride Parks Group Limited	250,000	2,750,000
Bride Parks Oxford Limited	4,978,870	-
Bride Parks Infrastructure Limited	1,326,751	-
DEBTORS		
Amounts owed by group companies		
Bride Parks Oxford Limited	-	32,500
Prepayments and accrued income		
Bride Parks Oxford Limited	481,365	216,685
Bride Parks Infrastructure Limited	-	232,472
Skelton Chippenham Limited	-	1,038,098
Skelton (L&C Investments) Limited	-	565,361
Skelton Watford Limited	-	15,632
CREDITORS		
Amounts owed to group companies		
Bride Exel Limited	-	250,000
Yuills Limited	125,000	235,987
Amounts owed to parent company		
Islay Investments Limited	21,865,000	17,915,000
ADMINISTRATIVE EXPENSES		
Skelton Group Limited	250,000	(20,000)
Yuills Limited	125,000	-
INTEREST RECEIVABLE		
Bride Parks Oxford Limited	287,979	142,500
Bride Parks Infrastructure Limited	131,278	168,575
Skelton Chippenham Limited	290,802	550,000
Skelton (L&C Investments) Limited	266,045	407,000
Skelton Watford Limited	37,028	15,632
INTEREST PAYABLE		
Yuills Limited	5,357	13,886

In addition to the above £320,000 (2003 - £nil) has been included in administrative expenses in relation to fees payable to a company in which M J Morrison, a director of the company, has an interest.

15. CONTROLLING PARTY

At the year end the directors regard Islay Investments Limited, a company incorporated in Bermuda, as the ultimate parent undertaking and they regard it as the controlling party. Since the year end Islay Investments Limited has changed its name to Glenfinnan Properties Limited.