

Advanced Investments Limited

Report and Abbreviated Financial Statements

Year Ended

30 June 2003



Advanced Investments Limited

Abbreviated financial statements for the year ended 30 June 2003

Contents

Page:

1	Report of the independent auditors
2	Balance sheet
3	Notes forming part of the financial statements

Director

M. Richardson

Secretary and registered office

Mrs T.J. Richardson, 3 Flag Business Exchange, Vicarage Farm Road, Peterborough

Company number

3378800

Auditors

Baker Tilly, Garrick House 76-80 High Street, Old Fletton, Peterborough, PE2 8ST

Advanced Investments Limited

Report of the independent auditors

Independent auditors' report to Advanced Investments Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 4 together with the financial statements of the company for the year ended 30 June 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

BAKER TILLY
Registered Auditor
Chartered Accountants
Peterborough

1 April 2004

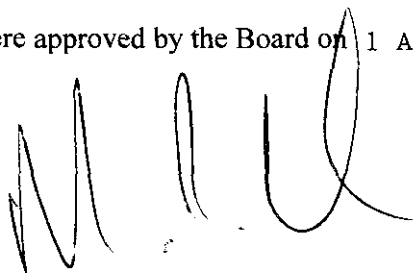
Advanced Investments Limited**Balance sheet at 30 June 2003**

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	2		201,792		62,183
Current assets					
Debtors		1,756		1,756	
Creditors: amounts falling due within one year		207,871		56,917	
Net current liabilities			(206,115)		(55,161)
Total assets less current liabilities			(4,323)		7,022
Provision for liabilities and charges			2,952		3,581
			(7,275)		3,441
Capital and reserves					
Called up share capital	3		2		2
Profit and loss account			(7,277)		3,439
Shareholders' funds			(7,275)		3,441

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 the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 1 April 2004

M. Richardson
Director



The notes on pages 3 to 4 form part of these financial statements.

Advanced Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery	- 10% straight line
-------------------	---------------------

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Investment properties

The investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Advanced Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (*Continued*)

2 Tangible fixed assets

	Total £
<i>Cost</i>	
At 1 July 2002	80,150
Additions	144,009
	<hr/>
At 30 June 2003	224,159
	<hr/>
<i>Depreciation</i>	
At 1 July 2002	17,967
Provided for the year	4,400
	<hr/>
At 30 June 2003	22,367
	<hr/>
<i>Net book value</i>	
At 30 June 2003	201,792
	<hr/>
At 30 June 2002	62,183
	<hr/>

Land and buildings represents investment properties carried at cost, which the director believes continues to reflect the open market value of the property at the balance sheet date.

3 Share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
Ordinary shares of £1.00 each	100	100	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

4 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Advanced Systems Group Limited.