

Company Number: 3778607

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ULTIMA PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



ULTIMA PROPERTIES LIMITED
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ULTIMA PROPERTIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000

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The director has pleasure in presenting his report and financial statements for the year ended 31 December 2000. The director does not propose the payment of a dividend.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year under review continued to be the letting of commercial property.

DIRECTOR AND HIS INTERESTS

The director who held office during the year and his interests in the share capital of the company at the beginning and end of the year was as follows:

	£1 Ordinary Shares	
	31 December 2000	1 January 2000
M McNeill	-	-

The interest of M McNeill in the parent company is disclosed in the financial statements of that company.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Horwath Clark Whitehill as auditors of the company will be put to the Annual General Meeting.

EXEMPTION

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

BY ORDER OF THE BOARD

P MCNEILL

SECRETARY

30 May 2001



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STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year, which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss for that period. In preparing these 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The director is responsible for keeping 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 is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**AUDITORS' REPORT
TO THE SHAREHOLDER OF ULTIMA PROPERTIES LIMITED**

We have audited the financial statements of Ultima Properties Limited for the year ended 31 December 2000 which comprise 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of 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 Director's 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 the information specified by law regarding director's remuneration and transactions with the company are not disclosed.

We read the Director's 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 director 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.

**AUDITORS' REPORT
TO THE SHAREHOLDER OF ULTIMA PROPERTIES LIMITED (CONTINUED)**

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kennet House
80 Kings Road
Reading

HORWATH CLARK WHITEHILL
Chartered Accountants and
Registered Auditors

31 May 2001

ULTIMA PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

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	Notes	Year to 31 December 2000 £	Period from 29 October to 31 December 1999 £
TURNOVER	2	308,848	52,974
Cost of sales		<u>(2,268)</u>	<u>(253)</u>
GROSS PROFIT		306,580	52,721
Administrative expenses		<u>(53,099)</u>	<u>(9,353)</u>
OPERATING PROFIT	3	253,481	43,368
Interest payable	4	<u>(241,272)</u>	<u>(32,333)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,209	11,035
TAXATION		<u>172</u>	<u>(172)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>12,381</u>	<u>10,863</u>
TRANSFERRED TO RESERVES		<u>£ 12,381</u>	<u>£ 10,863</u>

There were no recognised gains or losses other than those included in the profit and loss account and the profit for the year was the only movement in shareholders funds.

ULTIMA PROPERTIES LIMITED
BALANCE SHEET
31 DECEMBER 2000

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	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	5	2,646,082	2,675,000
CURRENT ASSETS			
Debtors	6	80,637	490
Cash at bank and in hand		<u>64,755</u>	<u>-</u>
		145,392	490
CREDITORS: Amounts falling due within one year	7	<u>(1,099,885)</u>	<u>(914,291)</u>
NET CURRENT LIABILITIES		<u>(954,493)</u>	<u>(913,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,691,589	1,761,199
CREDITORS: Amounts falling due after more than one year	8	<u>(1,668,343)</u>	<u>(1,750,334)</u>
NET ASSETS		<u>£ 23,246</u>	<u>£ 10,865</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	12	<u>23,244</u>	<u>10,863</u>
SHAREHOLDERS' FUNDS	12	<u>£ 23,246</u>	<u>£ 10,865</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 30 May 2001
and signed on its behalf by:



M S MCNEILL

DIRECTOR

The notes on pages 7 to 10 form part of these financial statements

ULTIMA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

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1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with:

- (i) The Financial Reporting Standards for Small Entities; (effective March 2001); and
- (ii) The special provisions of part VII of the Companies Act 1985

b) Investment Property

In accordance with SSAP19:

- (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- (ii) no depreciation or amortisation is provided in respect of investment properties.

There is a departure from the requirements of the Companies Act 1985 which requires assets which have a finite useful life to be depreciated where their cost (or valuation) is greater than their residual value (as assessed at the date of acquisition or valuation). The directors consider that, following the reasoning in SSAP19, depreciating the assets would not give a true and fair view because they are held for investment and not consumption.

c) Depreciation

Tangible fixed assets are depreciated to write off the cost, or, if applicable, the valuation of each asset over its useful economic life as follows:

Land	No depreciation
Freehold buildings	50 years straight line
Investment properties	No depreciation

d) Deferred Taxation

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise. Timing differences are taxable items, allowances or reliefs which are given effect to in taxation periods different from those in which they have effect in the financial statements. They comprise mainly accelerated tax depreciation allowances and short term timing differences.

e) Leases

Rental income received under operating leases is credited to the profit and loss account as receivable.

2. TURNOVER

Turnover comprises rental income exclusive of VAT and sales of fixed assets. All turnover is derived in the UK.

ULTIMA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

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3. OPERATING PROFIT

	2000 £	1999 £
Operating profit is stated after charging:		
Auditors' remuneration	<u>2,500</u>	<u>2,000</u>

4. INTEREST PAYABLE

	2000 £	1999 £
On bank loans and overdrafts	147,472	26,033
Payable to group entities	<u>93,800</u>	<u>6,300</u>
	<u>£ 241,272</u>	<u>£ 32,333</u>

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Long Leasehold Property £	Total £
COST OR VALUATION			
At 1 January and 31 December 2000	<u>2,465,000</u>	<u>210,000</u>	<u>2,675,000</u>
DEPRECIATION			
At 1 January 2000	-	-	-
Charge for the year	<u>28,918</u>	<u>-</u>	<u>28,918</u>
At 31 December 2000	<u>28,918</u>	<u>-</u>	<u>28,918</u>
NET BOOK VALUE			
At 31 December 2000	<u>£ 2,436,082</u>	<u>£ 210,000</u>	<u>£ 2,646,082</u>
At 31 December 1999	<u>£ 2,465,000</u>	<u>£ 210,000</u>	<u>£ 2,675,000</u>

All property is held for the purpose of leasing.

The freehold property is not an investment property under the definition of SSAP19 as this property is let to Ultima Business Solutions Limited.

The long leasehold property is considered to be an investment property as defined by SSAP19. The property has been revalued by the director at 31 December 2000 at open market value.

ULTIMA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

6. DEBTORS

	2000 £	1999 £
Other debtors	<u>£ 80,637</u>	<u>£ 490</u>

7. CREDITORS: Amounts falling due within one year

	£	£
Bank loans and overdrafts	82,673	72,799
Amounts due to group companies	937,412	761,958
Corporation tax	-	172
Accruals	<u>79,800</u>	<u>79,362</u>
	<u>£ 1,099,885</u>	<u>£ 914,291</u>

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

	£	£
Bank loans and overdrafts	<u>£ 1,668,343</u>	<u>£ 1,750,334</u>

The above are repayable by instalments as follows:

	£	£
Bank loans and overdrafts		
In less than one year	82,673	72,799
Between one and five years inclusive	409,734	416,206
In more than five years	<u>1,258,609</u>	<u>1,334,128</u>
	<u>£ 1,751,016</u>	<u>£ 1,823,133</u>

The bank loans are arranged on standard commercial terms and are secured by a fixed charge over the land and buildings owned by the company. A cross guarantee from Ultima Business Solutions Limited the parent company was created on 6 August 1999 covering the bank borrowings of Ultima Properties Limited.

9. SHARE CAPITAL

	Ordinary Shares of £1 each
Authorised	<u>£ 100,000</u>
Allotted, called up and fully paid	<u>£ 2</u>

2 Ordinary £1 shares have been issued and are fully paid and are both registered in the name of Ultima Business Solutions Limited.

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ULTIMA PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

10. DEFERRED TAXATION

Deferred taxation provided in the financial statements and the total potential liability, including the amounts for which provision has been made, is as follows:

	2000		1999	
	Full Potential Liability £	Provided in Financial Statements £	Full Potential Liability £	Provided in Financial Statements £
Timing differences arising from: Accelerated tax depreciation allowances	-	-	-	-
	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

11. CAPITAL COMMITMENTS

At 31 December 2000, the company had capital commitments contracted for, amounting to £Nil (1999: £Nil).

12. SHAREHOLDERS' FUNDS

	Share Capital £	Profit and Loss Account £	Total £
At 29 October 1999	-	-	-
Share capital issued during the year	2	-	2
Profit for the period	-	10,863	10,863
At 31 December 1999	2	10,863	10,865
Profit for the year	-	12,381	12,381
At 31 December 2000	<u>£ 2</u>	<u>£ 23,244</u>	<u>£ 23,246</u>

13. RELATED PARTY TRANSACTIONS

Transactions with the parent company are not disclosed separately since these are consolidated within Ultima Business Solutions Limited's financial statements.

14. CONTROLLING PARTY

The director considers the company's ultimate parent undertaking to be Ultima Business Solutions Limited. Ultima Business Solutions Limited is controlled by Mr M S McNeill.