

RUNNING YIELD LTD
FINANCIAL STATEMENTS
31 MAY 2003



RUNNING YIELD LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2003

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RUNNING YIELD LTD
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr A H Peart Mr P Sullivan
Company secretary	Mr Philip Sullivan
Date of incorporation	10 May 2001
Registered office	Lynton House 7-12 Tavistock Square London WC1H 9BQ

RUNNING YIELD LTD
THE DIRECTORS' REPORT
YEAR ENDED 31 MAY 2003

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 May 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property investment.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

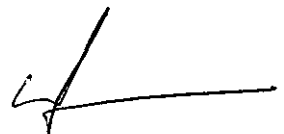
	Ordinary Shares of £1 each	
	At 31 May 2003	At 1 June 2002
Mr A H Peart	25	25
Mr P Sullivan	<u>75</u>	<u>75</u>

SMALL COMPANY PROVISIONS

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

Registered office:
Lynton House
7-12 Tavistock Square
London
WC1H 9BQ

Signed by order of the directors


MR PHILIP SULLIVAN
Company Secretary

Approved by the board on 6 Nov 03

RUNNING YIELD LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2003

	Note	2003 £	2002 £
TURNOVER		24,818	9,014
Administrative expenses		(12,226)	(1,469)
OPERATING PROFIT	2	12,592	7,545
Interest payable		(14,169)	(5,705)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,577)	1,840
Tax on (loss)/profit on ordinary activities		—	(115)
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(1,577)	1,725
Balance brought forward		1,725	—
Balance carried forward		148	1,725

The notes on pages 5 to 7 form part of these financial statements.

RUNNING YIELD LTD

BALANCE SHEET

AS AT 31 MAY 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	3	417,769	176,660
CURRENT ASSETS			
Cash at bank		1,434	308
CREDITORS: Amounts falling due within one year	4	<u>(78,254)</u>	<u>(49,968)</u>
NET CURRENT LIABILITIES		<u>(76,820)</u>	<u>(49,660)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		340,949	127,000
CREDITORS: Amounts falling due after more than one year	5	<u>(340,701)</u>	<u>(125,175)</u>
		<u>248</u>	<u>1,825</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	100	100
Profit and loss account		148	1,725
SHAREHOLDERS' FUNDS		<u>248</u>	<u>1,825</u>

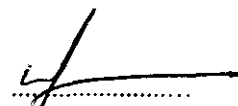
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

These financial statements were approved by the directors on the 6 Nov 03 and are signed on their behalf by:


MR P SULLIVAN

The notes on pages 5 to 7 form part of these financial statements.

1. ACCOUNTING POLICIES

RUNNING YIELD LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

3. TANGIBLE FIXED ASSETS

	Investment property £	Furniture £	Total £
COST			
At 1 June 2002	175,345	1,754	177,099
Additions	239,494	2,737	242,231
At 31 May 2003	<u>414,839</u>	<u>4,491</u>	<u>419,330</u>
DEPRECIATION			
At 1 June 2002	—	439	439
Charge for the year	—	1,122	1,122
At 31 May 2003	<u>—</u>	<u>1,561</u>	<u>1,561</u>
NET BOOK VALUE			
At 31 May 2003	<u>414,839</u>	<u>2,930</u>	<u>417,769</u>
At 31 May 2002	<u>175,345</u>	<u>1,315</u>	<u>176,660</u>

4. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	20,000	8,000
Other creditors	58,254	41,968
	<u>78,254</u>	<u>49,968</u>

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

	2003 £	2002 £
Bank loans and overdrafts	340,701	125,060
Other creditors	—	115
	<u>340,701</u>	<u>125,175</u>

6. TRANSACTIONS WITH THE DIRECTORS

Mr Sullivan is also the sole director and shareholder of Ideal Insight Limited. This company has loaned Running Yield Limited funds totalling £42,000 at the year end. No interest has been charged on this amount.

Mr Peart is a director of the company and has loaned it £13,000. No interest has been charged on this amount.

7. RELATED PARTY TRANSACTIONS

The company was under the control of Mr P Sullivan throughout the current period. Mr Sullivan is the managing director and majority shareholder.

RUNNING YIELD LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2003

8. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>