

**ARLINGTON BUSINESS PARK (READING)  
MANAGEMENT LIMITED**

**ANNUAL REPORT FOR THE YEAR ENDED**

**31 DECEMBER 2002**



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Registered No. 2350937

# **ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED**

**ANNUAL REPORT FOR THE YEAR ENDED  
31 DECEMBER 2002**

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# **ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2002.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity is the management and maintenance of Arlington Business Park, Reading. No change to the activity of the company is anticipated.

### **RESULTS AND DIVIDENDS**

The result for the financial year after taxation amounted to £nil (2001: £nil). Details are disclosed on page 4. No dividend is proposed by the directors (2001: £nil).

### **DIRECTORS**

The following served as directors during the year:

B S Chater  
P Deigman  
D M J Duffield  
J M Pulsford

None of the directors who held office at 31 December 2002 held any beneficial interest in the shares of the company at any time during the year.

### **COMPANY STATUS**

The company is not a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

### **AUDITORS**

PricewaterhouseCoopers have resigned as auditors of the company and PricewaterhouseCoopers LLP have agreed to fill the casual vacancy. A resolution concerning their appointment as auditors will be proposed at the Annual General Meeting.

# **ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED**

## **DIRECTORS' REPORT (Continued)**

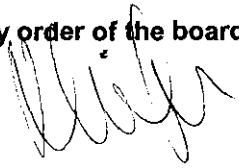
### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

**By order of the board**



**J D Read  
Secretary  
2003**

**27 JUN 2003**

# **ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED.**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

### **Basis of audit opinion**

We conducted our audit in accordance with 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 at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Reading

2003 27 Jun 2003

**ARLINGTON BUSINESS PARK (READING)**  
**MANAGEMENT LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

	Note	2002 £	2001 £
TURNOVER	2	321,689	311,388
Cost of sales		(322,166)	(311,496)
		<hr/>	<hr/>
GROSS LOSS		(477)	(108)
Administrative expenses		(2,058)	(2,892)
Interest receivable – bank interest		3,619	4,271
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,084	1,271
Taxation	4	(1,084)	(1,271)
		<hr/>	<hr/>
RESULT FOR THE FINANCIAL YEAR		<hr/>	<hr/>

All amounts above relate to continuing operations.

The company has no recognised gains or losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the result for the financial year stated above, and their historical cost equivalents.

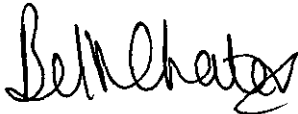
# ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Debtors	5	5,484	11,252
Cash at bank and in hand		78,341	110,508
		<hr/>	<hr/>
		83,825	121,760
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(83,724)	(121,659)
		<hr/>	<hr/>
NET ASSETS		101	101
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	7	101	101
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	8	101	101
		<hr/>	<hr/>

The financial statements on pages 4 to 8 were approved by the board of directors on 2003 and signed on their behalf by:

**27 JUN 2003**



**B S Chater**  
Director

**ARLINGTON BUSINESS PARK (READING)  
MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2002**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards.

**2. TURNOVER**

Turnover represents service charges made to the owners/occupiers of Arlington Business Park, Reading.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

No director received any emoluments during the year (2001: £nil). Audit fees were £1,500 (2001: £1,500). Non audit fees were £600 (2001: £612).

The company has no employees (2001: nil). All staff requirements are provided by Arlington Business Services Limited and Arlington Property Developments Limited.

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

No provision has been made for corporation tax in the financial statements, save for tax on bank interest received, on the grounds that the company is a mutual trader.

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 30%)	1,084	1,271
	<u>1,084</u>	<u>1,271</u>

**5. DEBTORS**

	2002 £	2001 £
Trade debtors	5,055	5,913
Other debtors	356	5,266
Called up share capital not paid	73	73
	<u>5,484</u>	<u>11,252</u>
	<u>5,484</u>	<u>11,252</u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade creditors	1,200	74,193
Corporation tax	1,086	1,271
Accruals and deferred income	81,438	46,195
	<u>83,724</u>	<u>121,659</u>
	<u>83,724</u>	<u>121,659</u>



**ARLINGTON BUSINESS PARK (READING)  
MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2002 (Continued)**

**7. CALLED UP SHARE CAPITAL**

	2002 £	2001 £
Authorised:		
'A' ordinary shares of £1 each	2	2
'B' ordinary shares of £1 each	998	998
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
Allotted (see note 5):		
'A' ordinary shares of £1 each	2	2
'B' ordinary shares of £1 each	99	99
	<hr/>	<hr/>
	101	101
	<hr/>	<hr/>

'A' shares are held by Arlington Securities plc and group companies during the development stage of the business park.

'B' shares are issued to the freeholders in proportion to the acres of the business park they acquire.

'A' and 'B' shareholders have no entitlement to any dividend from the company.

'A' and 'B' shares have equal rights upon winding up of the company.

Until 'B' shares have been allotted in respect of the whole of the park the holder of an 'A' share shall on a poll have that number of votes equal to the number of 'A' ordinary shares and 'B' ordinary shares in aggregate then in issue for each 'A' ordinary share held.

Once 'B' shares have been allotted in respect of the whole of the business park 'B' ordinary shares gain full voting rights and 'A' ordinary shares no longer carry any rights to receive notice of or to attend and vote at any Annual General Meeting of the company.

**8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002 £	2001 £
As at 1 January	101	101
Shares issued during the year	-	-
	<hr/>	<hr/>
As at 31 December	101	101
	<hr/>	<hr/>

**ARLINGTON BUSINESS PARK (READING)**  
**MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2002 (Continued)**

**9. RELATED PARTY DISCLOSURES**

Under FRS 8, 'Related Party Disclosures', Arlington Securities plc is a related party, by virtue of the fact that it holds 80% of the voting rights, either directly or through other wholly owned subsidiaries.

Arlington Business Services Limited, a 100% owned subsidiary of Arlington Securities plc, provides business park management services to the company, the costs of which amounted to £289,249 (2001: £287,153).

Arlington Property Developments Limited, a 100% owned subsidiary of Arlington Securities plc, provides administrative services to the company, the cost of which amounted to £29,289 (2001: £28,318).

Amounts accrued due to companies within the Arlington Securities plc group at the balance sheet date were £45,333 (2001: £105,494).

In addition, other group companies, Reading Business Park Partnership, API (No 5) Limited, API (No 10) Limited and API (No 8) Limited are freeholders. They pay a service charge quarterly which totalled £190,230 (2001: £173,295) for the year ended 31 December 2002. No balances were outstanding at the year end (2001: £950 outstanding from API (No 8) Limited).

**10. CASHFLOW STATEMENT**

In accordance with FRS 1, 'Cashflow Statements', the company has taken advantage of the exemption available for small companies not to prepare a cashflow statement.

**11. ULTIMATE PARENT COMPANY**

Arlington Securities plc, by virtue of the fact it holds 100% of the 'A' shares through two wholly owned subsidiaries, is the intermediate holding company.

Copies of the consolidated accounts of the above company are available from Arlington Securities plc, Arlington House, Arlington Business Park, Theale, RG7 4SA.

The ultimate parent company and controlling party is East Flight Limited.

The Directors  
Arlington Business Park (Reading) Management Limited  
Arlington House  
Arlington Business Park  
Theale  
Berkshire  
RG7 4SA

Dear Sirs

**Arlington Business Park (Reading) Management Limited**

We have examined the additional information set out in the appendix, which has been prepared from the books and records maintained by the company. This information has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of Arlington Business Park (Reading) Management Limited for the year ended 31 December 2002.

In accordance with the relevant clause of the company's deed of covenant with the owners of the freehold interests in the property managed by the company, we report that in our opinion the additional information set out in the appendix is in accordance with the books and records of Arlington Business Park (Reading) Management Limited.

This letter is issued on the understanding that it is only for the information of the persons to whom it is addressed and is not to be referred to in whole or in part in any other document, except that it may be shown to the shareholders of Arlington Business Park (Reading) Management Limited, in connection with the annual statement of amounts rechargeable to freeholders.

Yours faithfully



PricewaterhouseCoopers LLP

27 JUN 2003

# ARLINGTON BUSINESS PARK (READING) MANAGEMENT LIMITED

## APPENDIX

### ADDITIONAL INFORMATION EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Management office, accommodation, vehicles, equipment and staff	51,038	51,946
Landscape maintenance	93,126	79,096
Road cleaning and maintenance	5,821	6,404
Other general repairs, maintenance and cleaning	5,314	(4,790)
Security	133,940	145,011
Utilities	3,169	5,280
Insurance	469	231
Management fee	29,289	28,318
	<hr/> 322,166	<hr/> 311,496
Administrative expenses	2,058	2,892
Interest receivable	(3,619)	(4,271)
Corporation tax	1,084	1,271
	<hr/> 321,689	<hr/> 311,388
Amount rechargeable to freeholders	<hr/> <hr/> 321,689	<hr/> <hr/> 311,388