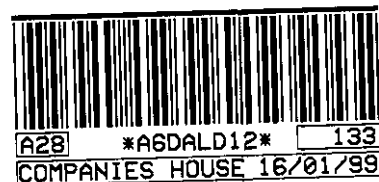


12 JAN 1999

**WESTLAKES PROPERTIES LIMITED**  
(Company Number 2414283)

**ABBREVIATED STATUTORY ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 1998**



# WESTLAKES PROPERTIES LIMITED

## AUDITORS' REPORT TO WESTLAKES PROPERTIES LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the Company for the year ended 31 March 1998 prepared under Section 226 of the Companies Act 1985.

### Respective Responsibilities of Directors and Auditors

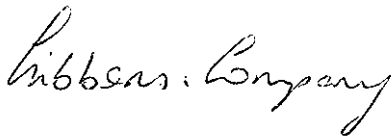
The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of 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 accounts and that the abbreviated accounts 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 financial statements.

### Opinion

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



### GIBBONS & COMPANY

Chartered Accountants and Registered Auditors  
Carleton House  
136 Gray Street  
Workington  
Cumbria  
CA14 2LU  
22 October 1998

# WESTLAKES PROPERTIES LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1998

	Note	1998 £	£	1997 £	£
<b>Fixed Assets</b>					
Tangible Fixed Assets	5		213,802		122,188
<b>Investment Assets</b>	6		4,770,562		2,350,000
<b>Current Assets</b>					
Debtors and Prepayments	7	739,914		354,789	
Cash at Bank and in Hand		268,801		487,916	
		<u>1,008,715</u>		<u>842,705</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	8	<u>774,265</u>		<u>268,432</u>	
<b>Net Current Assets</b>			<u>234,450</u>		<u>574,273</u>
<b>Total Assets Less Current Liabilities</b>			<u>5,218,814</u>		<u>3,046,461</u>
<b>Provisions for Liabilities and Charges</b>					
Taxation Including Deferred Taxation	9		<u>23,126</u>		<u>14,606</u>
<b>Net Assets</b>			<u><u>5,195,688</u></u>		<u><u>3,031,855</u></u>
<b>Capital and Reserves</b>					
Share Capital	10		3,200,000		3,200,000
Profit and Loss Account			<u>1,995,688</u>		<u>(168,145)</u>
<b>Shareholders' Funds - All Equity</b>	11		<u><u>5,195,688</u></u>		<u><u>3,031,855</u></u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 23 September 1998 and signed on its behalf.

  
**G R SMITH**  
**DIRECTOR**

The notes on pages 3 to 5 form part of these financial statements.

# WESTLAKES PROPERTIES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

### 1. ACCOUNTING POLICIES

**(a) Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

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.

**(b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the Company, net of Value Added Tax.

**(c) Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:-

Fixtures and Fittings	10% Reducing Balance Basis
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**(d) Deferred Taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

**(e) Investment Property**

Properties, which are let to, and occupied by, third parties and held for long term retention are accounted for as investment properties and valued at the Balance Sheet date at Open Market Value. All investment properties are valued annually by the Directors and by external valuers at least once every five years.

Movements in the valuation below the original cost of the property are debited/credited to the Profit and Loss Account. Movements in the valuation above the original cost of the property are debited/credited to a revaluation reserve.

In accordance with SSAP 19, Accounting for Investment Properties, no depreciation is provided in respect of freehold or long leasehold investment properties. This is a departure from the Companies Act 1985 which requires all properties to be depreciated. Such properties are not held for consumption but for investment and the Directors consider that to depreciate them would not give a true and fair view.

**(f) Grants**

Both revenue and capital based grants are credited in full to the Profit and Loss Account during the year for amounts received and receivable.

## 2. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £
<b>Cost</b>	
At 1 April 1997	176,488
Additions	115,369
At 31 March 1998	<u>291,857</u>
<b>Depreciation</b>	
At 1 April 1997	54,300
Charge for Year	23,755
At 31 March 1998	<u>78,055</u>
<b>Net Book Values</b>	
At 31 March 1998	<u>213,802</u>
At 31 March 1997	<u>122,188</u>

## 3. INVESTMENT ASSETS

	1998 £	1997 £
Valuation at 1 April 1997	2,350,000	2,293,000
Additional Costs of Works During Year	<u>2,420,562</u>	<u>596,446</u>
	4,770,562	2,889,446
Disposal of Land	-	(138,000)
	<u>4,770,562</u>	<u>2,751,446</u>
Decrease in Valuation	-	(401,446)
Valuation at 31 March 1998	<u>4,770,562</u>	<u>2,350,000</u>

The Freehold and Long Leasehold interest of the Company in Westlakes Science and Technology Park, Moor Row, Whitehaven, Cumbria was independently valued by Dixon Webb, Chartered Surveyors as at 31 March 1996.

The Company has not had an independent valuation carried out since that date and the value included in the Accounts for the last two years has been based on the following:-

- (a) At 31 March 1997 it had been agreed, in principle, that West Cumbria Development Fund Limited would acquire the remaining 50% shareholding in the Company held by the Rural Development Commission. Each Shareholder commissioned their own valuation and agreed that the Investment Property be valued at £2,350,000.
- (b) During the year ended 31 March 1998 the Company has continued with the construction of the Technology Transfer and Telecommunications Centre at the Park. It is proposed to have an independent professional valuation carried out next year following completion of this building. The Directors have therefore agreed that this year the valuation of the Investment Property should be shown as the agreed valuation of £2,350,000 as at 31 March 1997 plus all costs of works carried out to 31 March 1998.

The 1996 valuation was made in accordance with the Royal Institution of Chartered Surveyors' Statements of Asset Valuation Practice and Guidance Notes and, when incorporated into the Accounts of the Company, led to a decrease in valuation of £72,883 in that year. In 1997 the adoption of the Directors' valuation led to a decrease in valuation of £401,446. There has been no movement on the valuation this year due to the policy adopted.

**4. DEBTORS AND PREPAYMENTS**

Debtors includes £204 (1997 - £4,858) owed by West Cumbria Development Fund Limited and £668 (1997 - £464) owed by West Cumbria Enterprises Limited.

**5. CREDITORS: Amounts Falling Due Within One Year**

Creditors includes £350,000 owed to West Cumbria Development Fund Limited.

The National Westminster Bank PLC hold a Legal Mortgage over the Freehold Property at Westlakes Science and Technology Park as security. However, at present, the Company does not have any liability to the Bank.

**6. SHARE CAPITAL**

	1998 £	1997 £
<b>Authorised</b>		
Ordinary Shares of £1 Each	<u>4,000,000</u>	<u>4,000,000</u>
<b>Allotted, Called Up and Fully Paid</b>		
Ordinary Shares of £1 Each	<u>3,200,000</u>	<u>3,200,000</u>

**7. RELATED PARTY TRANSACTIONS**

On 1 October 1997 the Company became a wholly owned subsidiary of West Cumbria Development Fund Limited (prior to this date that Company held 50% of the ordinary share capital with the balance held by the Rural Development Commission).

West Cumbria Enterprises Limited is also a wholly owned subsidiary of West Cumbria Development Fund Limited.

During the year the Company has charged rent and provided additional services to the other group members as follows, all of which are on normal commercial terms:-

	1998 £	1997 £
West Cumbria Development Fund Limited	9,328	20,840
West Cumbria Enterprises Limited	<u>9,532</u>	<u>464</u>

The Company has been reimbursed £21,000 this year, towards the costs incurred in connection with the acquisition by the Parent Undertaking of land at High Low Hall Farm, Whitehaven, Cumbria.