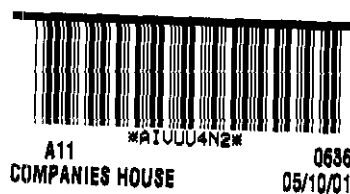


Company number 3016028

CEPB DEVELOPMENTS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000



CEPB DEVELOPMENTS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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COMPANY INFORMATION

Directors: Mr. Allan Bridgewater (Chairman)
 The Ven. H. I. L. Russell
 Mr. T. J. P. Stevenson
 Mr. D. J. V. Wright

Secretary: Mr. R.G. Radford

Registered Office: 29 Great Smith Street,
 Westminster, London
 SW1P 3PS

Auditors: PricewaterhouseCoopers,
 32, London Bridge Street,
 London SE1 9SY.

Bankers: Lloyds TSB Bank PLC,
 City Office,
 PO Box No.217,
 72, Lombard Street,
 London EC3P 3BT.

CEPB DEVELOPMENTS LIMITED

DIRECTORS REPORT

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The profit and loss account for the year is shown on page 6. The company's principal activity is undertaking property and building developments. In first quarter of the year planning permission was obtained for the proposed new residential home in Scarborough and construction commenced in May. As the new building will not be completed until the final quarter of 2001, the accounts for the year to December 2000 do not assume any profit on the contract.

During the year some preliminary design work was done in respect of a possible new residential home in Lytham St. Annes, Lancashire and it is hoped to obtain planning permission for this development before the end of 2001.

There have been no events since the Balance Sheet date which materially affect the position of the company.

DIVIDENDS

The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors of the company who served during the year have been as follows:-

	Date of Appointment
Mr. A. Bridgewater	1 January 1998
The Ven. H. I. L. Russell	1 January 1998
Mr. T.J.P. Stevenson	20 March 1996
Mr. D. J. V. Wright	1 January 1998

No director has held any shares in the company during the year.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 period. In preparing those financial statements, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- (iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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.

CHARITABLE CONTRIBUTIONS

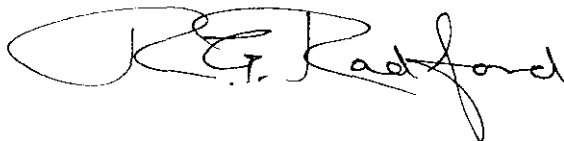
Under a Deed of Covenant £6,590 (gross) will be paid to The Church of England Pension Board, a registered charity, and this amount has been included in Administration Expenses.

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a Resolution proposing the re-appointment of PricewaterhouseCoopers as auditors to the Company will be put to the Annual General Meeting.

APPROVED BY THE BOARD ON 14 JUNE 2001 AND SIGNED ON THEIR BEHALF BY:

R.G. Radford
SECRETARY



REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF CEPB DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Basis of Opinion

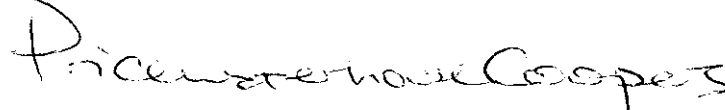
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 the 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 as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

14 June 2001
London.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors.

CEPB DEVELOPMENTS LIMITED**Profit and loss account for the year ended 31 December 2000**

	Notes	2000 £	1999 £
Turnover	2	1,130,312	20,000
Cost of sales		(1,136,254)	(19,568)
Gross Profit		(5,942)	432
Administration Expenses	4	(9,605)	(9,942)
Operating Loss		(15,547)	(9,510)
Interest receivable	5	15,547	9,510
Profit/(Loss) on ordinary activities before taxation	6	-	-
Taxation on ordinary activities	7	-	-
Profit/(Loss) on ordinary activities after tax		-	-
Dividends		-	-
Retained profit/(loss) for the year		-	-

There are no gains or losses in the period other than those recognised in the profit and loss account.

Balance sheet as at 31 December 2000

		2000 £	1999 £
<u>Current assets</u>			
Debtors - amounts falling due within one year	8	95,932	250,376
Cash at bank		701,324	62,477
		797,256	312,853
Creditors - amounts falling due within one year	9	(797,254)	(312,851)
Net current assets		<u>£2</u>	<u>£2</u>
<u>Capital & reserves</u>			
Share capital	10	2	2
Profit and loss account	11	-	-
Total equity shareholders funds		<u>£2</u>	<u>£2</u>

The financial statements on pages 6 to 9 were approved by the Board on 14 June 2001 and signed on their behalf by:



A. Bridgewater - Chairman
H.I.L. Russell - Director

CEPB DEVELOPMENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

1. **ACCOUNTING POLICIES**

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

Turnover

Turnover represents the value of long term contract work performed.

Long term Contracts

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed will be recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the payments on account exceed turnover is shown under creditors as payments on account.

Cashflow statement

The company is a wholly owned subsidiary of the General Purposes Fund of the charitable funds of the Church of England Pensions Board and the cash flows are included in the financial statements of that charity.

Consequently, the Company is exempt under the terms of FRS 1 (revised) from publishing a cash flow statement.

2. **TURNOVER**

Turnover and profit before taxation are derived from continuing operations and are wholly attributable to the company's principal activity which is carried on within the United Kingdom.

3. **EMPLOYEE INFORMATION**

Other than the four directors, who received no remuneration, the company had no employees in the period.

4. **ADMINISTRATION EXPENSES**

The Administration Expenses of £9,605 (1999: £9,942) include a gross charitable donation of £6,590 (1999: £6,750) paid to The Church of England Pensions Board under a deed of covenant.

5. **INTEREST RECEIVABLE**

Interest receivable of £15,547 (1999: £9,510) does not include any accrued interest on bank deposits.

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

Is stated after charging:

	2000	1999
Auditors' remuneration	<u>£ 3,000</u>	<u>£3,000</u>

7. **TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

As the whole of the profit that would have been chargeable to Corporation Tax has been paid to The Church of England Pensions Board, a registered charity, under a Deed of Covenant, no Corporation Tax is payable for the year.

8. **DEBTORS**

	2000	1999
	£	£
Payments in Advance	15,548	204,010
Amount owed by parent undertaking	50,000	20,000
Advance Corporation tax	4,745	4,745
Value Added Tax recoverable	<u>25,639</u>	<u>21,621</u>
	<u>95,932</u>	<u>250,376</u>

9. **CREDITORS**

	2000	1999
	£	£
Payments received on account	699,688	300,000
Accruals	90,976	6,101
Gross payment due under Deed of Covenant	<u>6,590</u>	<u>6,750</u>
	<u>797,254</u>	<u>312,851</u>

10. **SHARE CAPITAL**

	2000	1999
	£	£
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Called Up and Fully Paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

11. **RESERVES**

Profit and loss account

	2000	1999
	£	£
Reserves brought forward	-	-
Profit/(Loss) for the period	<u>-</u>	<u>-</u>
Reserves as at 31 December 2000	<u>-</u>	<u>-</u>

12. **ULTIMATE PARENT UNDERTAKING**

The Directors regard the General Purposes Fund of the Church of England Pensions Board as the ultimate Parent Undertaking. Copies of the Parent's consolidated financial statements can be obtained from:-

The Church of England Pensions Board,
29, Great Smith Street,
Westminster, London SW1P 3PS.

13. **RELATED PARTY TRANSACTIONS**

The General Purposes Fund of the Church of England Pensions Board is considered to be the controlling party of the Company.

Transactions in the year with the Church of England Pensions Board, a related party, were as follows:-

Amounts payable under Deed of Covenant - gross (see Note 4) £6,590 (1999: £6,750)

Amount received from Church of England Pensions Board as payments on account £1,500,000 (1999: £200,000)

As at 31 December 2000, creditors include an amount of £699,688 in respect of payments received on account in respect of the contract in Scarborough in excess of the value of works undertaken to 31 December 2000 (1999: £300,000).