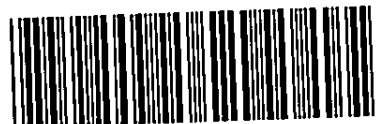


CVCP PROPERTIES PLC
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2007

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COMPANIES HOUSE

CVCP PROPERTIES PLC

REPORT AND FINANCIAL STATEMENTS

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CVCP PROPERTIES PLC
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 JULY 2007

DIRECTORS	Dr K J R Edwards Professor Drummond Bone Professor Richard Trainor (appointed 1 August 2007)
SECRETARY	Mr C Lambert
REGISTERED OFFICE	Woburn House 20 Tavistock Square London WC1H 9HQ
BANKERS	National Westminster Bank Plc PO Box 83 Tavistock House Tavistock Square London WC1H 9XA
SOLICITORS	D L A Piper UK LLP India Buildings Water Street Liverpool L2 0NH
AUDITORS	Kingston Smith LLP Chartered Accountants Devonshire House 60 Goswell Road London EC1M 7AD

CVCP PROPERTIES PLC
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2007

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 July 2007

ACTIVITIES

The main objectives of the Company are general trading purposes on behalf of its shareholders, specifically for operating Woburn House, a major office and conference centre facility in Bloomsbury

All shareholders are UK universities in membership of Universities UK. Universities UK is also a shareholder

REVIEW OF DEVELOPMENTS

The leasing of the building remains the principal source of income. The majority of the tenants are higher education sector organisations. The principal tenant is Universities UK, which uses the building as its headquarters and as a conference centre.

The Woburn House accommodation was fully let during the year.

Profit before tax and deed of covenant was £676,370, of which £674,558 is payable to Universities UK under deed of covenant.

LEASE / LEASEBACK SCHEME

The establishment of a lease and lease back arrangement was made in 1997 to assist universities and HE establishments in connection with the construction of new academic buildings. A management fee accrues to the company as a result of this scheme.

RISK

To minimise the risk of unoccupancy and a subsequent rental void period CVCP Properties Plc markets the building as a hub for the Higher Education sector in London. Success in this approach is marked with current long term tenants including Universities UK, the Association of Commonwealth Universities, the Universities and Colleges Employer Association and GuildHE.

RESULTS

The directors do not propose to pay a dividend (2006 - £nil). The profit before taxation for the year was £1,812 (2006 - £2,564). The profit after tax and the payment under deed of covenant to Universities UK has been transferred to the profit and loss account.

CVCP PROPERTIES PLC
REPORT AND FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 JULY 2007

DIRECTORS' REPORT (continued)

FIXED ASSETS

The Company's main fixed asset is Woburn House, purchased for £3,000,000. E A Shaw (Chartered Surveyors) revalued the building on 24 August 2005 and assessed its value at that date as £10,670,000. The value is considered acceptable in relation to the current carrying value in the balance sheet. The Company also purchased an investment property in Russell Square during the year 2000. The purchase price of this property was £355,000. The valuation of the long leasehold interest held in this property at 24 August 2005 was £450,000.

DIRECTORS AND THEIR INTERESTS

The directors at year end are set out on page 1. Directors' benefits in kind are disclosed in Note 3. None of the directors had a beneficial interest in any contract with the Company or any interests in its shares.

CVCP PROPERTIES PLC
REPORT AND FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 JULY 2007

AUDITORS

A resolution to reappoint Kingston Smith LLP Chartered Accountants as auditors of the company will be proposed at the forthcoming Annual General Meeting

POLICY ON PAYMENT OF CREDITORS

The Company operates two policies in respect of payment of creditors. With regard to lease and leaseback agreements, payment to universities in respect of rent is made on receipt of payment by the university of rent due to CVCP Properties Plc. Payment to other creditors is made within 30 days. At the year-end the number of creditor days was 15 days (2006 – 12 days)

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

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

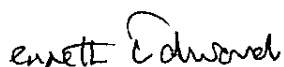
The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit information

So far as each of the directors at the time the trustees' report is approved is aware

- a) there is no relevant information of which the auditors are unaware, and
- b) they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Approved by the Board of Directors on
and signed on behalf of the board



Director

16 November 2007

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CVCP PROPERTIES PLC

We have audited the financial statements of CVCP Properties Plc for the year ended 31 July 2007 which comprise the Profit and Loss Account, the Balance Sheet, cash flow statement, the statement of recognised gains and losses and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's shareholders those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 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 other transactions is not disclosed.

We read the Directors' Report and report to you our opinion on whether it is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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.

Unqualified opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Directors' Report is consistent with the financial statements.

23 November 2007

Kingston Smith LLP

KINGSTON SMITH LLP
Chartered Accountants and
Registered Auditors

CVCP PROPERTIES PLC
PROFIT AND LOSS ACCOUNT &
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 JULY 2007

PROFIT AND LOSS ACCOUNT

	Note	2007 £	2006 £
TURNOVER	2	4,057,854	4,059,620
Administrative expenses		(101,198)	(108,276)
Other operating expenses		<u>(3,308,156)</u>	<u>(3,232,203)</u>
OPERATING PROFIT	3	648,500	719,141
Interest receivable		27,870	25,365
Payment under deed of covenant		<u>(674,558)</u>	<u>(741,942)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,812	2,564
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		1,812	2,564
Retained profit brought forward		<u>381,131</u>	<u>378,567</u>
RETAINED PROFIT CARRIED FORWARD		<u>382,943</u>	<u>381,131</u>

All activities are continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	£	£
PROFIT FOR THE FINANCIAL YEAR	1,812	2,564
Unrealised surplus on revaluation of properties	<u>-</u>	<u>1,695,000</u>
TOTAL RECOGNISED GAINS & LOSSES RELATING TO THE YEAR	<u>1,812</u>	<u>1,697,564</u>

The notes on pages 10 to 13 form part of these financial statements

CVCP PROPERTIES PLC
BALANCE SHEET
AS AT 31 JULY 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	22,320	41,241
Investments	6	<u>11,120,000</u>	<u>11,120,000</u>
		<u>11,142,320</u>	<u>11,161,241</u>
CURRENT ASSETS			
Debtors	8	527,591	509,732
Cash at bank and in hand		<u>239,189</u>	<u>156,678</u>
		766,780	666,410
CREDITORS · Amounts falling due within one year	9	<u>(1,484,959)</u>	<u>(1,405,322)</u>
NET CURRENT LIABILITIES		<u>(718,179)</u>	<u>(738,912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,424,141	10,422,329
TOTAL NET ASSETS		<u>10,424,141</u>	<u>10,422,329</u>
CAPITAL AND RESERVES			
Called up share capital	11	4,800,000	4,800,000
Revaluation reserve		5,241,198	5,241,198
Profit and loss account		<u>382,943</u>	<u>381,131</u>
SHAREHOLDERS' FUNDS	10	<u>10,424,141</u>	<u>10,422,329</u>

These financial statements were approved by the Board of Directors on
and signed on behalf of the Board

Kenneth Edwards } Director 16 November 2007

The notes on pages 10 to 13 form part of these financial statements

CVCP PROPERTIES PLC
CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2007

	Notes	2007 £	2006 £
Net cash inflow from operating activities	A	798,864	638,608
Returns on investments and servicing of finance	B	(716,353)	(794,127)
Capital expenditure		<u>-</u>	<u>(44,345)</u>
Net cash inflow (outflow) before use of liquid resources		82,511	(199,864)
Taxation		<u>-</u>	<u>-</u>
Increase (Decrease) in cash		<u>82,511</u>	<u>(199,864)</u>

NOTES TO THE CASH FLOW

A. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	648,500	719,141
Depreciation charge	18,920	25,080
(Increase) in debtors	(15,578)	(746)
Increase (decrease) in creditors	<u>147,022</u>	<u>(104,867)</u>
Net cash inflow from operating activities	<u>798,864</u>	<u>638,608</u>

B. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Payment of deed of covenant	(741,942)	(819,492)
Interest received	<u>25,589</u>	<u>25,365</u>
Net cash outflow from returns on investments and servicing of finance	<u>(716,353)</u>	<u>(794,127)</u>

The notes on pages 10 to 13 form part of these financial statements

CVCP PROPERTIES PLC
CASH FLOW STATEMENT (CONTINUED)
YEAR ENDED 31 JULY 2007

	2007 £	2006 £
C. RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS		
Increase/(decrease) in cash for period	<u>82,511</u>	<u>(199,864)</u>
Change in net funds	82,511	(199,864)
Net funds at 1 August 2006	<u>156,678</u>	<u>356,542</u>
Net funds at 31 July 2007	<u>239,189</u>	<u>156,678</u>

	<i>At August 2006 £</i>	Cash Flows £	<i>At 31 July 2007 £</i>
D. ANALYSIS OF CHANGES IN NET FUNDS			
Cash at bank	<u>156,678</u>	<u>82,511</u>	<u>239,189</u>

The notes on pages 10 to 13 form part of these financial statements

CVCP PROPERTIES PLC
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2007

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards
The particular accounting policies adopted are described below

a) Accounting Convention

The financial statements are prepared under the historical cost convention, modified for the revaluation of investment properties as described in note 1(d)

b) Income and expenditure

All income and expenditure is accounted for on an accruals basis

c) Tangible Fixed Assets

Depreciation is calculated on the straight line basis at rates sufficient to write down the assets over their expected useful lives The rates of depreciation are as follows

Furniture and equipment	- over four years
Computer equipment	- over three years

CVCP Properties Plc capitalisation policy is to capitalise individual assets over £2,500

d) Investment Properties

Investment properties are valued by the directors at open market value

No depreciation is provided in respect of leasehold investment properties with over 20 years to run

Although the Companies Act would normally require systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the accounts to give a true and fair view

2. TURNOVER

The main objectives of the company are general trading purposes on behalf of its shareholders
All activities derive in the United Kingdom

3. OPERATING PROFIT

	2007 £	2006 £
Operating profit is after charging/(crediting)		
Rents payable under operating leases	2,966,900	2,966,900
Rents receivable in respect of operating leases	(3,017,660)	(3,017,660)
Depreciation		
Furniture and equipment	18,921	25,080
Auditors' remuneration		
Audit	4,450	4,775
Other services	2,068	-
Directors' benefits in kind		
2005/06 tax year	16,035	-
2006/07 tax year	33,533	-
2007/08 tax year	10,229	-

CVCP PROPERTIES PLC
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 JULY 2007

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees in either year, apart from the directors. Income tax and national insurance paid on behalf of one Director who had use of a company flat is disclosed in Note 3. The other directors received no remuneration from the company.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
United Kingdom Corporation tax at 20% (2006: 19%)	-	-

6. FIXED ASSET INVESTMENTS

Investment properties at market value	11,120,000	11,120,000
Investment properties at cost	5,878,802	5,878,802

The directors obtained a professional valuation of Woburn House from E A Shaw (Chartered Surveyors) as at 24 August 2005. In the opinion of the directors this valuation is not materially different from the open market value at the balance sheet date.

7. TANGIBLE FIXED ASSETS

	Furniture And Equipment £
Cost	
At 1 August 2006	313,312
Assets written off	(24,317)
At 31 July 2007	288,995
Depreciation	
At 1 August 2006	272,071
Assets written off	(24,317)
Charge for the year	18,921
At 31 July 2007	266,675
Net book value	
At 31 July 2007	22,320
At 31 July 2006	41,241

8. DEBTORS

	2007 £	2006 £
Other debtors	1,090	-
Prepayments and accrued income	526,501	509,732
	527,591	509,732

CVCP PROPERTIES PLC
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 JULY 2007

9. CREDITORS. amounts falling due within one year

	2007 £	2006 £
Trade creditors	41,086	13,317
Taxation and social security	33,908	14,821
Other creditors	668,840	736,224
Accruals and deferred income	<u>741,125</u>	<u>640,960</u>
	<u>1,484,959</u>	<u>1,405,322</u>

10 RECONCILIATION OF MOVEMENT OF SHAREHOLDER FUNDS

	Share Capital £	Investment Revaluation Reserve £	Profit & Loss Account £	Total £
At 1 August 2006	4,800,000	5,241,198	381,131	10,422,329
Result for the year	-	-	1,812	1,812
Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2007	<u>4,800,000</u>	<u>5,241,198</u>	<u>382,943</u>	<u>10,424,141</u>

Included within the profit and loss account is £89,492 (2006 – £103,896) comprising a sinking fund for repairs and maintenance in accordance with the service charge agreement

11 CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised		
4,450,000 ordinary shares of £1 each	4,450,000	4,450,000
550,000 6% non-cumulative preference shares of £1 each	<u>550,000</u>	<u>550,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>
Allotted and fully paid		
4,250,000 ordinary shares of £1 each	4,250,000	4,250,000
550,000 6% non-cumulative preference shares of £1 each	<u>550,000</u>	<u>550,000</u>
	<u>4,800,000</u>	<u>4,800,000</u>

The 6% non-cumulative preference shares of £1 each entitle the holder to receive a preferential dividend at the rate of 6% on the paid-up capital in priority to any transfer or any rights of the holders on ordinary shares (non-cumulative). In all other respects the preference shares rank pari passu with ordinary shares. They are defined as equity investments under Financial Reporting Standard 25.

CVCP PROPERTIES PLC
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 JULY 2007

12 CONTROLLING PARTIES

All shareholders are UK universities in membership of Universities UK and Universities UK is also a shareholder

The accounts include transactions with Universities UK as follows

	2007 £	2006 £
Included in turnover.		
Rental and service charges	<u>567,185</u>	<u>523,425</u>

There are no overall controlling parties

13 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year

	2007 £	2006 £
Current tax on profits of the year	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total Current tax (Note 13(b))	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

b) Factors affecting the tax charge for the period

	2007 £	2006 £
Profit for the period	<u>1,812</u>	<u>2,564</u>
Profit multiplied by the lower rate of corporation tax – 20% (2006 – 19%)	362	487
Effect of capital losses in excess of depreciation	(362)	(487)
	<u>-</u>	<u>-</u>
Taxation charge	<u>-</u>	<u>-</u>

c) Factors that may affect future tax charges

The company will continue to covenant its taxable profits to Universities UK
Consequently, there is no material deferred taxation