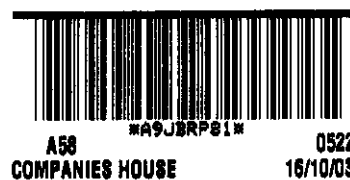


**CGT Developments XXXVIII Limited
Financial Statements
for the period ending 31 March 2003**



CGT Developments XXXVIII Limited
Financial Statements
for the period ending 31 March 2003

Registration No. 3349268

DIRECTORS

M G B Shaw (Chairman)
T W A Jackson-Stops
S M McKeever

SECRETARIES

M P Tuohy (Resigned 30 December 2002)
J M Gain (Appointed 30 December 2002)

BANKERS

The Royal Bank of Scotland
2 1/2 Devonshire Square
London EC2M 4WS

REGISTERED OFFICE

12 Appold Street
London EC2A 2AW

CGT Developments XXXVIII Limited
Financial Statements
for the period ending 31 March 2003

CONTENTS

Page

2	Directors' report
3	Statement of directors' responsibilities in respect of the accounts
4	Profit and loss account
5	Balance sheet
6-8	Notes to the financial statements

CGT Developments XXXVIII Limited
Directors' Report

The directors present their report and accounts for the period ended 31 March 2003.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £4,992.
No dividend has been paid or proposed.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company continues to trade as a residential property developer. The company has entered into thirty partnerships, each undertaking a residential development project. The residential developments at Brookmans Park, Hertfordshire; Camberwell, London; Rissington, Gloucestershire; Corby, Northants; Ickenham Phase II, Hillingdon; Crossgates, North Yorkshire; East Horsley, East Sussex; Rissington Phase II, Gloucestershire; Balham Hill, London; Blythe Bridge, Staffordshire; Sowerby Bridge, West Yorkshire; Loxley Phase II, Warwickshire; Harpenden, Hertfordshire; Rickmansworth, Hertfordshire; Chorleywood, Hertfordshire; Tunbridge Wells, Kent; Aley Green, Bedfordshire; Northwood, Middlesex and Rissington Phase III, Gloucestershire have been completed.

During the period the company entered into the Newmarket Development No.1 Partnership, the Sutton Development No.10 Partnership, the Potterspury Development No.3 Partnership, the Croydon Development No.5 Partnership and the Lichfield Development No.7 Partnership.

FUTURE DEVELOPMENTS

Since 31 March 2003 the company has entered into the Harrogate Development Partnership and the Lacock Development Partnership.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

M G B Shaw (Chairman)
T W A Jackson-Stops
S M McKeever

The directors had no interests in the ordinary shares of the company as at 31 March 2003.

AUDITORS

The company is exempt from audit by virtue of s249A of the Companies Act 1985.

On behalf of the Board



Stephen McKeever
Director

06 October 2003

CGT Developments XXXVIII Limited
Statement of Directors' Responsibilities in respect of the Accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing those accounts, 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; and
- prepare the accounts 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 accounts 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.

On behalf of the Board



Stephen McKeever
Director

6 October 2003

CGT Developments XXXVIII Limited
Profit and loss account
for the period from 1 April 2002 to 31 March 2003

	Notes	2003 £	2002 £
Administrative expenses	3	(92)	(115)
Partnership income	2	4,425	5,103
		<hr/> 4,333	<hr/> 4,988
Interest receivable		659	1,086
Profit before taxation		<hr/> 4,992	<hr/> 6,074
Taxation		-	(607)
Profit after taxation		<hr/> 4,992	<hr/> 5,467
Retained profit brought forward		23,573	18,106
Retained profit carried forward		<hr/> <hr/> 28,565	<hr/> <hr/> 23,573

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on shareholders' funds apart from the profit for the year.

CGT Developments XXXVIII Limited
Balance sheet as at 31 March 2003

	Notes	2003 £	2002 £
Current Assets			
Interest in residential development partnerships	4	113,750	111,740
Debtors	5	4,139	2,074
Cash at bank and on deposit		<u>11,424</u>	<u>10,773</u>
		129,313	124,587
Current Liabilities			
Creditors	6	(748)	(1,014)
		<u>128,565</u>	<u>123,573</u>
Capital and Reserves			
Called up share capital	8	50,000	50,000
Share premium account	9	50,000	50,000
Profit and loss account	9	28,565	23,573
		<u>128,565</u>	<u>123,573</u>

Statement in compliance with section 249 of the Companies Act 1985.

For the year ended 31 March 2003 the company was entitled to exemption under section 249A (1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B (2).

The directors acknowledge their responsibility for:

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

These financial statements were approved by the Board of Directors on 06 October 2003.

Signed on behalf of the Board of Directors



Stephen McKeever
 Director

CGT Developments XXXVIII Limited
Notes to the financial statements
for the period from 1 April 2002 to 31 March 2003

1 Accounting Policies

Basis of preparation

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

Interest in residential development partnerships

Interests in residential development partnerships are stated at cost.

Partnership income is shown on an accruals basis.

Issue costs

Issue costs have been deducted from the share premium account in accordance with Financial Reporting Statement No.4.

2 Partnership income

Partnership income represents income derived from property development partnerships.

Net profits/ (losses) for the period are as follows:

	2003 £	2002 £
Corby Development No.2 Partnership	-	368
Blythe Bridge Development No.5 Partnership	-	(68)
East Horsley Development No.6 Partnership	-	836
Sowerby Bridge Development No.1 Partnership	-	307
Balham Hill Development No.10 Partnership	-	691
Loxley Phase II Development No.13 Partnership	-	1,110
Tunbridge Wells Development No.7 Partnership	264	969
Northwood Development No.5 Partnership	161	(11)
Rickmansworth Development No.1 Partnership	56	46
Chorleywood Development No.5 Partnership	167	396
Harpenden Development No.7 Partnership	-	232
Aley Green Development No.2 Partnership	432	385
Kentish Town Development No.3 Partnership	(90)	(236)
Norwich Development No.8 Partnership	2,176	75
Cambridge Development No.3 Partnership	(71)	8
Rissington Phase III Development No.9 Partnership	1,314	17
Marlow Development No.15 Partnership	176	(6)
Walton on Thames Development No.11 Partnership	(118)	(10)
Lightwater Development No.6 Partnership	71	(6)
Newmarket Development No.1 Partnership	(56)	-
Sutton Development No.10 Partnership	(6)	-
Potterspurty Development No.3 Partnership	(7)	-
Croydon Development No.5 Partnership	(37)	-
Lichfield Development No.7 Partnership	(7)	-
	<u>4,425</u>	<u>5,103</u>

3 Administrative expenses

Directors' fees	92	115
	<u>92</u>	<u>115</u>

CGT Developments XXXVIII Limited
Notes to the financial statements
for the period from 1 April 2002 to 31 March 2003

4 Interest in residential development partnerships

	2003 £	2002 £
Tunbridge Wells Development No.7 Partnership	-	7,140
Northwood Development No.5 Partnership	-	1,400
Rickmansworth Development No.1 Partnership	-	300
Chorleywood Development No.5 Partnership	-	1,200
Aley Green Development No.2 Partnership	-	9,200
Kentish Town Development No.3 Partnership	27,500	27,500
Norwich Development No.8 Partnership	20,000	20,000
Cambridge Development No.3 Partnership	6,600	13,200
Rissington Phase III Development No.9 Partnership	3,350	6,700
Marlow Development No.15 Partnership	2,600	2,600
Walton on Thames Development No.11 Partnership	15,000	15,000
Lightwater Development No.6 Partnership	7,500	7,500
Newmarket Development No.1 Partnership	9,000	-
Sutton Development No.10 Partnership	3,400	-
Potterspurty Development No.3 Partnership	3,800	-
Croydon Development No.5 Partnership	15,000	-
	<u>113,750</u>	<u>111,740</u>

5 Debtors

Tunbridge Wells Development No.7 Partnership	-	935
Northwood Development No.5 Partnership	154	-
Rickmansworth Development No.1 Partnership	-	50
Chorleywood Development No.5 Partnership	-	412
Aley Green Development No.2 Partnership	-	400
Norwich Development No.8 Partnership	2,251	75
Cambridge Development No.3 Partnership	-	8
Rissington Phase III Development No.9 Partnership	1,331	17
Marlow Development No.15 Partnership	170	-
Lightwater Development No.6 Partnership	65	-
Interest Receivable	168	177
	<u>4,139</u>	<u>2,074</u>

CGT Developments XXXVIII Limited
Notes to the financial statements
for the period from 1 April 2002 to 31 March 2003

	2003 £	2002 £
6 Creditors		
Northwood Development No.5 Partnership	-	7
Kentish Town Development No.3 Partnership	326	236
Cambridge Development No.3 Partnership	63	-
Marlow Development No.15 Partnership	-	6
Walton on Thames Development No.11 Partnership	128	10
Lightwater Development No.6 Partnership	-	6
Newmarket Development No.1 Partnership	56	-
Sutton Development No.10 Partnership	6	-
Potterspurty Development No.3 Partnership	7	-
Croydon Development No.5 Partnership	37	-
Lichfield Development No.7 Partnership	7	-
UK Corporation tax payable	-	607
Director's fees	118	142
	<u>748</u>	<u>1,014</u>

7 Capital Commitments

Subsequent to the year end, the company has committed funds of £14,000 to a development at Harrogate and £7,000 to a development at Lacock.

8 Share capital

Authorised		
2,000,000 Ordinary Shares of 50p each.	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
100,000 Ordinary Shares of 50p each.	<u>50,000</u>	<u>50,000</u>

9 Reserves	Share premium account	Revenue Reserve	Total
As at 1 April 2002	50,000	23,573	73,573
Retained net revenue for the period	-	4,992	4,992
As at 31 March 2003	<u>50,000</u>	<u>28,565</u>	<u>78,565</u>