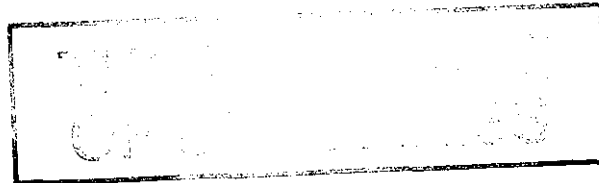


COMPANY REGISTRATION NUMBER 03612006

ALARD PROPERTIES LIMITED
ABBREVIATED ACCOUNTS
31ST AUGUST 2003



ARMSTRONG WATSON
Chartered Accountants & Registered Auditors
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

ALARD PROPERTIES LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST AUGUST 2003

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ALARD PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes, together with the financial statements of the company for the year ended 31st August 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 report our opinion to you.

BASIS OF OPINION

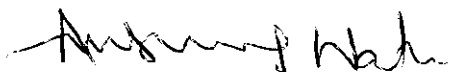
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

CARLISLE

16/6/04



ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors

ALARD PROPERTIES LIMITED

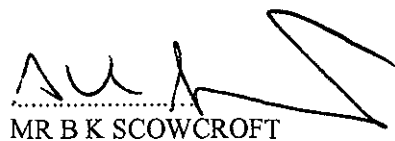
ABBREVIATED BALANCE SHEET

31ST AUGUST 2003

	Note	2003 £	2002 £
FIXED ASSETS	2		
Tangible assets		600,750	900
Investments		<u>7,200,100</u>	<u>7,200,100</u>
		7,800,850	7,201,000
CURRENT ASSETS			
Debtors		720,580	211,042
Cash at bank and in hand		<u>227</u>	<u>15,800</u>
		720,807	226,842
CREDITORS: Amounts falling due within one year		<u>2,786,398</u>	<u>1,901,173</u>
NET CURRENT LIABILITIES		(2,065,591)	(1,674,331)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,735,259</u>	<u>5,526,669</u>
CREDITORS: Amounts falling due after more than one year	3	<u>4,301,052</u>	<u>4,036,554</u>
		<u>1,434,207</u>	<u>1,490,115</u>
CAPITAL AND RESERVES			
Called-up equity share capital	4	1,000	1,000
Profit and loss account		<u>1,433,207</u>	<u>1,489,115</u>
SHAREHOLDERS' FUNDS		<u>1,434,207</u>	<u>1,490,115</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 14/6/04 and are signed on their behalf by:


MR B K SCOWCROFT

The notes on pages 3 to 5 form part of these abbreviated accounts.

ALARD PROPERTIES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST AUGUST 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment 25% Reducing balance

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment properties. This treatment may be a departure from the requirements of the Companies Act regarding depreciation of fixed assets but the directors consider that this accounting policy is necessary for the accounts to give a true and fair view, as the properties are held for investment not consumption. Depreciation or amortisation is only one of the factors reflected in the annual valuations, and the amount which might otherwise have been shown cannot be separately identified or quantified.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

ALARD PROPERTIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST AUGUST 2003

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST			
At 1st September 2002	1,819	7,200,100	7,201,919
Additions	601,370	—	601,370
At 31st August 2003	603,189	7,200,100	7,803,289
DEPRECIATION			
At 1st September 2002	919	—	919
Charge for year	1,520	—	1,520
At 31st August 2003	2,439	—	2,439
NET BOOK VALUE			
At 31st August 2003	600,750	7,200,100	7,800,850
At 31st August 2002	900	7,200,100	7,201,000

On 17th August 2001 the company acquired 90% of the issued share capital of Kingmoor Park Properties Limited. During the year ended 31 August 2002 the company acquired 100% of the issued share capital of Kingmoor Aviation Limited. Further information regarding these companies is listed below:

	2003 £	2002 £
Aggregate capital and reserves		
Kingmoor Park Properties Limited	17,353,051	15,686,915
Kingmoor Aviation Limited	(22,728)	100
Profit and (loss) for the period		
Kingmoor Park Properties Limited	452,287	871,739
Kingmoor Aviation Limited	(22,828)	—

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. CREDITORS: Amounts falling due after more than one year

Included within creditors falling due after more than one year is an amount of £3,101,072 (2002 - £4,002,474) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

ALARD PROPERTIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST AUGUST 2003

4. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>