

(Company No. 4252744)

TS4i (PROCESS UTILITIES 1) LIMITED

(formerly Bradenhurst Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the period from 16 July 2001 to 31 December 2002



TS4i (PROCESS UTILITIES 1) LIMITED (formerly Bradenhurst Limited)

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2002

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TS4i (PROCESS UTILITIES 1) LIMITED (formerly Bradenhurst Limited)

DIRECTORS AND OFFICERS

DIRECTORS

Ivor Douglas Catto
Michael Moseling
Nigel Pearce
Richard Mark Priestman

SECRETARY

Angela Mary Cunningham

REGISTERED OFFICE

The Quadrangle
The Promenade
Cheltenham
Gloucestershire
GL50 1PX

TS4i (PROCESS UTILITIES 1) LIMITED (formerly Bradenhurst Limited)

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, for the period from the Company's incorporation on 16 July 2001 to 31 December 2002.

The Company commenced trading on 7 October 2002.

RESULTS

The results for the period are set out on page 7. The directors do not recommend the payment of a dividend. The profit for the year to be transferred from reserves amounts to £3,201.

CHANGE OF COMPANY NAME

The Company changed its name on 13 September 2001 from Bradenhurst Limited to TS4i (Process Utilities 1) Limited.

BUSINESS REVIEW

The principal activity of the Company is the provision of energy and power related asset finance and management products. The Directors consider that the Company will not continue in the foreseeable future.

POST BALANCE SHEET EVENT

On the 19 August 2003 United Milk plc went into receivership. United Milk plc is the sole customer of TS4i (Process Utilities 1) Limited.

The loan between TS4i (Process Utilities 1) Limited and Royal Bank Leasing Limited was settled by the guarantors and the fixed assets were sold on 27 October 2003.

DIRECTORS

The current Directors are as shown on page 2.

At 31 December 2002, the members of the Board of Directors were:-

David Russell Clements
Richard Harry Cuthbert
Nigel Pearce
Richard Mark Priestman

During the period to 31 December 2002, the following changes were made to the composition of the Board:-

David Russell Clements, Richard Harry Cuthbert, Nigel Pearce and Richard Mark Priestman were appointed Directors on 5 December 2001.

Brian John Payne resigned as Director on 5 December 2001.
Richard Harry Cuthbert resigned as Director on 19 March 2002.
David Russell Clements resigned as Director on 24 April 2002.

TS4i (PROCESS UTILITIES 1) LIMITED (formerly Bradenhurst Limited)

Peter Hugh Nelson and Michael Moseling were appointed on 24 April 2002.

Subsequent to the 31 December 2002, the following changes were made to the composition of the Board:-

Peter Hugh Nelson resigned as Director on 17 April 2003.

Ivor Douglas Catto was appointed as a Director on 23 April 2003.

COMPANY SECRETARY

Maureen Anne Childs resigned as company secretary on 5 December 2001

Angela Mary Cunningham was appointed company secretary on 5 December 2001.

DIRECTORS' INTERESTS

No Director had any interest in the ordinary shares of the Company on 31 December 2002 or on the date of their appointment to the Board.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is the Company's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking by the Company to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract.

Trade creditors at 31 December 2002 represented 31 days of purchases.

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 2 October 2003 under the provisions of Section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By Order of the Board.



N Pearce
Director

30 January 2004

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

**Independent auditors' report to the members of TS4I (Process Utilities 1) Limited
(formerly Bradenhurst Limited)**

We have audited the financial statements of TS4i (Process Utilities 1) Limited for the period ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein, which refer to the discontinuance of the company's trade and explain that no material adjustments are required as a consequence of this.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or the opinions we have found.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 at 31 December 2002 and of its profit for the period from 16 July 2001 to 31 December 2002 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Bristol

S February 2004

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

PROFIT AND LOSS ACCOUNT for the period ended 31 December 2002

CONTINUING OPERATIONS

16 July 2001 to
31 December 2002

	Note	£
Turnover	3	419,517
Cost of Sales		(326,366)
Gross Profit		<u>93,151</u>
Administrative expenses		(25,584)
OPERATING PROFIT	4	<u>67,567</u>
Bank interest payable	6	(74,737)
Bank interest receivable	7	11,742
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>4,572</u>
Taxation charge on profit on ordinary activities	8	(1,371)
ACCUMULATED PROFIT FOR THE PERIOD		<u><u>3,201</u></u>

There is no difference between the profit on ordinary activities before taxation and the accumulated profit for the period as stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the profits shown above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 16 form part of these financial statements.

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

BALANCE SHEET at 31 December 2002

	Note	31 December 2002 £
FIXED ASSETS		
Hire purchase receivables	9	5,479,319
CURRENT ASSETS		
Debtors	10	519,645
Cash at bank		<u>7,588</u>
		527,233
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(1,751,362)
NET CURRENT LIABILITIES		<u>(1,224,129)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,255,190</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12	(4,200,372)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(51,517)
NET ASSETS		<u><u>3,301</u></u>
CAPITAL AND RESERVES		
Called up share capital	14	100
Profit and loss account	15	<u>3,201</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u><u>3,301</u></u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 30 January 2004



N Pearce
Director

The notes on pages 10 to 16 form part of these financial statements.

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

CASH FLOW STATEMENT

for the period ended 31 December 2002

	Note	Period to 31 December 2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	343,767
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Bank interest paid		(74,737)
Bank interest received		11,742
		<u>(62,995)</u>
TAXATION		-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets		(5,752,004)
NET CASH FLOW BEFORE FINANCING		<u>(5,471,232)</u>
FINANCING		
New loans - bank		6,727,049
Issue of ordinary share capital		100
Repayment of bank loans		(1,248,329)
		<u>5,478,820</u>
INCREASE IN CASH	18	<u><u>7,588</u></u>
Cash at beginning of period		-
Cash at end of period		<u><u>7,588</u></u>

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

a ACCOUNTING CONVENTION

The financial statements of the Company are prepared under the historical cost convention and in accordance with applicable accounting standards.

As explained in note 20, it is proposed that the Company should be wound up. However, the directors have continued to prepare the financial statements on a going concern basis because no material adjustments arise from the discontinuance of the trade. All assets and liabilities have been recorded on the basis that their carrying value will be recovered or discharged in the normal course of business.

b FIXED ASSETS - HIRE PURCHASE RECEIVABLES

Fixed assets are initially recorded at cost. Cost is defined in accordance with FRS15 and consists of other directly attributable costs. Attributable costs include capitalised interest.

c DEPRECIATION

Depreciation is calculated to write off the cost or valuation less estimated residual value of all tangible fixed assets on a straight line basis over their estimated useful lives.

Hire purchase receivables are depreciated over the term of the contract to the first purchase option date.

d DEFERRED TAXATION

Certain items of income and expenditure are accounted for in different periods for financial reporting purposes than for taxation purposes. Deferred taxation is provided on the full liability method in respect of timing differences which have originated but not reversed at the balance sheet date. Deferred taxation is calculated on a non-discounted basis.

2 CHANGE OF OWNERSHIP AND ULTIMATE HOLDING COMPANIES

The Company was incorporated on 16 July 2001 and is a joint venture acquired on a 50:50 basis by Royal Bank Leasing Limited and WS Atkins Investments Limited on 5th December 2001.

Royal Bank Leasing Limited is a member of The Royal Bank of Scotland Group plc which is a company registered in Scotland. Copies of the group financial statements of The Royal Bank of Scotland Group plc may be obtained from the Company Secretary's office, 42 St Andrew Square, Edinburgh EH2 2YE. Copies of the financial statements of Royal Bank Leasing Limited may be obtained from The Quadrangle, The Promenade, Cheltenham, Gloucestershire GL50 1PX.

WS Atkins Investments Limited is a member of the WS Atkins plc group of companies which is a company registered in England and Wales. Copies of the group financial statements of WS Atkins plc may be obtained from the Company Secretary's office, Woodcote Grove, Ashley Road, Epsom, Surrey KT18 5BW.

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

3 TURNOVER

All the company's activities, consisting of the provision of energy and power related products, in the United Kingdom.

4 OPERATING PROFIT

Period to
31 December
2002
£

Operating profit is charged after charging:
Depreciation of owned assets

272,685

The audit fee is paid by Total Solutions for Industry Limited and is not recharged to the Company.

5 EMPLOYEE INFORMATION AND DIRECTOR'S EMOLUMENTS

The Company has no employees.

The directors' emoluments for David Clements, Richard Cuthbert, Peter Nelson and Michael Moseling were remunerated by WS Atkins plc. All other directors are remunerated by Royal Bank Leasing Limited. No recharge is being made to the Company in respect of any directors.

6 BANK INTEREST PAYABLE

Period to
31 December
2002
£

Bank interest payable

74,737

7 BANK INTEREST RECEIVABLE

Period to
31 December
2002
£

Bank interest receivable

11,742

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

8	TAX ON PROFIT ON ORDINARY ACTIVITIES	Period to 31 December 2002 £
	A) ANALYSIS OF CHARGE IN THE PERIOD	
	Current tax credit:	
	- Group relief receivable on losses for the period	(50,146)
	Deferred tax - origination and reversal of timing differences:	
	Deferred tax - current period	51,517
		<u>1,371</u>
	B) FACTORS AFFECTING THE CURRENT TAX CHARGE FOR THE PERIOD	
	Profit on ordinary activities before tax	<u>4,572</u>
	Tax on profit on ordinary activities at the standard rate of 30%	<u>1,371</u>
	Current tax charge	<u>1,371</u>
9	TANGIBLE FIXED ASSETS	Generating Plant and Machinery £
	Cost	
	At 16 July 2001	-
	Additions	<u>5,752,004</u>
	At 31 December 2002	<u>5,752,004</u>
	Depreciation	
	At 16 July 2001	-
	Charge for year	272,685
	Write-down of hire purchase debtor	<u>-</u>
	At 31 December 2002	<u>272,685</u>
	Net Book Value	
	At 16 July 2001	<u>-</u>
	At 31 December 2002	<u>5,479,319</u>
	The amount of finance costs capitalised to 31 December 2002 is £180,269.	
	The average rate of interest charged was 5.107%.	

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

10	DEBTORS	31 December 2002 £
	Amounts falling due within one year:	
	Trade debtors	466,922
	Corporation tax - group relief receivable	50,146
	Other debtors and prepayments	<u>2,577</u>
		<u>519,645</u>
11	CREDITORS: Amounts falling due within one year	31 December 2002 £
	Bank loan	1,278,348
	Trade creditors	406,798
	Other taxes and social security	39,700
	Accruals and deferred income	<u>26,516</u>
		<u>1,751,362</u>
12	CREDITORS: Amounts falling due after more than one year	31 December 2002 £
	Bank loan	
	Between one and two years	1,405,178
	Between two and five years	<u>2,795,194</u>
		<u>4,200,372</u>
	The bank loan is secured by a fixed and floating charge over the assets of the Company. The bank loan carries interest at LIBOR plus 2.12% and is repayable in monthly instalments until its maturity on 29 September 2006.	
13	PROVISIONS FOR LIABILITIES AND CHARGES	
	Movements during the period:	Deferred taxation £
	At 16 July 2001	-
	Charge to profit and loss account	<u>(51,517)</u>
	At 31 December 2002	<u>(51,517)</u>
	Full provision has been made for the potential amount of deferred taxation shown below:	
		31 December 2002 £
	Capitalised interest	<u>(51,517)</u>

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

14 SHARE CAPITAL

31 December
2002

Authorised

"A" Ordinary shares of £1 each	50
"B" Ordinary shares of £1 each	50
	<u>100</u>

Allotted, called up and fully paid

"A" Ordinary shares of £1 each	50
"B" Ordinary shares of £1 each	50
	<u>100</u>

On 16 July 2001 the Company issued 2 ordinary £1 shares for a contribution of £1 each.

On 5 December 2001 the 2 issued ordinary shares were redesignated as 1 "A" ordinary share and 1 "B" ordinary share. The "A" and "B" shares rank pari passu with equal rights. On 14 December 2001 49 "A" ordinary shares and 49 "B" ordinary shares were issued at par.

15 PROFIT AND LOSS ACCOUNT

£

At 16 July 2001	-
Accumulated profit for the period	<u>3,201</u>
At 31 December 2002	<u>3,201</u>

16 RECONCILIATION OF SHAREHOLDERS' FUNDS

31 December
2002
£

Profit for the financial period	3,201
Issue of share capital of £100	100
Opening shareholders' funds	-
	<u>3,301</u>
Closing shareholders' funds	<u>3,301</u>

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

17 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOWS

	Period to 31 December 2002 £
Operating profit	67,567
Depreciation charge	272,685
Increase in debtors	(469,499)
Increase in creditors	473,014
	<hr/>
Net cash inflow from operating activities	<u>343,767</u>

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT AND ANALYSIS OF NET DEBT

	Period to 31 December 2002 £
Increase in cash	7,588
Cash inflow from increase in loan finance	<u>(5,478,720)</u>
Increase in net debt resulting from cash flows	<u>(5,471,132)</u>
Net debt at 16 July 2001	-
Net debt at 31 December 2002	<u><u>(5,471,132)</u></u>

Analysis of net debt:

	Cash flow £	31 December 2002 £
Cash at bank and in hand	7,588	7,588
Debt due within one year	(1,278,348)	(1,278,348)
Debt due after one year	(4,200,372)	(4,200,372)
	<hr/>	<hr/>
Net debt	<u><u>(5,471,132)</u></u>	<u><u>(5,471,132)</u></u>

TS4i (Process Utilities 1) Limited (formerly Bradenhurst Limited)

NOTES ON THE FINANCIAL STATEMENTS

19 RELATED PARTY TRANSACTIONS

The Company is a joint venture by Royal Bank Leasing Limited and WS Atkins Investments Limited, as discussed in note 2, which are therefore related parties. The Company has entered into transactions with WS Atkins Consultants Limited, a member of the same group of companies as WS Atkins Investments Limited. These have also been classed as related party transactions.

During the year the Company entered into transactions with Total Solutions For Industry Limited which is also a joint venture companies owned on a 50:50 basis by Royal Bank Leasing Limited and WS Atkins Investments Limited. Because of common control these are classed as related party transactions.

The nature and value of transactions with related parties for the period and amounts outstanding at period end are shown below, with the exception of finance provided by a party in the course of its business.

	Period to 31 December 2002	
	Value of transaction £	Receivable/ (payable) at period end £
<u>WS Atkins Consultants Limited</u>		
The Company was charged operations and maintenance charges	45,023	(45,023)
The Company acquired plant and machinery	5,534,679	-
<hr/>		
<u>Total Solutions for Industry Limited</u>		
The Company was charged for management services received	10,488	(10,488)

20 POST BALANCE SHEET EVENT

On the 19 August 2003 United Milk plc went into receivership. United Milk plc is the sole customer of TS4i (Process Utilities 1) Limited. The loan between TS4i (Process Utilities 1) Limited and Royal Bank Leasing Limited was settled by the guarantors on 27 October 2003.

The fixed assets were sold on the 27 October 2003.

At a Board Meeting of Directors held on 2 October 2003, the Directors agreed in principle that a proposal should be put to the shareholders of TS4i (Process Utilities 1) Limited that the Company should be wound up.