

Company number 3016028

CEPB DEVELOPMENTS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



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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 2001.

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. At the end of the year construction of a new residential home in Scarborough was almost complete and the building was handed over to the client, the Church of England Pensions Board, early in the new year. The accounts for the year to December 2001 include all costs to completion, including retentions, and show a gross profit on the contract of £246,000.

During the year further preliminary design work was done in respect of a probable new residential home in Lytham St. Annes, Lancashire and it is hoped to obtain planning permission for this development in 2002.

There have been no events since the Balance Sheet date, other than those disclosed above, 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 £259,142 (gross) will be paid to The Church of England Pensions 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 13 JUNE 2002 AND SIGNED ON THEIR BEHALF BY:


R.G. Radford
SECRETARY

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CEPB
DEVELOPMENTS LIMITED**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards issued by the Auditing Practices Board. 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 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 is not disclosed. We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

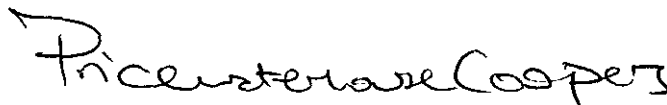
Basis of Opinion

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 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



13 June 2002
London.

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors.

CEPB DEVELOPMENTS LIMITED

Profit and loss account for the year ended 31 December 2001

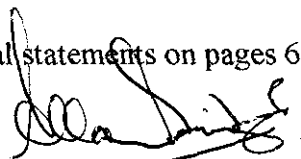
| | Notes | 2001 £ | 2000 £ |
|--|-------|--------------------|--------------------|
| Turnover | 2 | 2,699,688 | 1,130,312 |
| Cost of sales | | <u>(2,453,851)</u> | <u>(1,136,254)</u> |
| Gross Profit | | 245,837 | (5,942) |
| Administration Expenses | 4 | <u>(267,151)</u> | <u>(9,605)</u> |
| Operating Loss | | (21,314) | (15,547) |
| Interest receivable | 5 | <u>21,314</u> | <u>15,547</u> |
| Profit/(Loss) on ordinary activities before taxation | 6 | - | - |
| Taxation on ordinary activities | 7 | <u>-</u> | <u>-</u> |
| Profit/(Loss) on ordinary activities after tax | | - | - |
| Dividends | | <u>-</u> | <u>-</u> |
| Retained profit/(loss) for the year | | <u><u>-</u></u> | <u><u>-</u></u> |

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

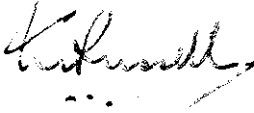
Balance sheet as at 31 December 2001

| | | 2001 £ | 2000 £ |
|---|----|------------------|------------------|
| <u>Current assets</u> | | | |
| Debtors - amounts falling due within one year | 8 | 243,179 | 95,932 |
| Cash at bank | | <u>239,048</u> | <u>701,324</u> |
| | | 482,227 | 797,256 |
| Creditors - amounts falling due within one year | 9 | <u>(482,225)</u> | <u>(797,254)</u> |
| Net current assets | | <u><u>£2</u></u> | <u><u>£2</u></u> |
| <u>Capital & reserves</u> | | | |
| Share capital | 10 | 2 | 2 |
| Profit and loss account | 11 | <u>-</u> | <u>-</u> |
| Total equity shareholders funds | | <u><u>£2</u></u> | <u><u>£2</u></u> |

The financial statements on pages 6 to 9 were approved by the Board on 13 June 2002 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 £267,151 (2000: £9,605) include a gross charitable donation of £259,142 (1999: £6,590) paid to The Church of England Pensions Board under a deed of covenant.

5. **INTEREST RECEIVABLE**

Interest receivable of £21,314 (2000: £15,547) does not include any accrued interest on bank deposits.

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

Is stated after charging:

| | 2001 | 2000 |
|------------------------|----------------|---------------|
| Auditors' remuneration | <u>£ 3,250</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**

| | 2001 | 2000 |
|-----------------------------------|-----------------------|----------------------|
| | £ | £ |
| Payments in Advance | 57,389 | 15,548 |
| Amount owed by parent undertaking | - | 50,000 |
| Advance Corporation tax | - | 4,745 |
| Value Added Tax recoverable | <u>185,790</u> | <u>25,639</u> |
| | <u>243,179</u> | <u>95,932</u> |

9. **CREDITORS**

| | 2001 | 2000 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Payments received on account | - | 699,688 |
| Accruals | 223,083 | 90,976 |
| Gross payment due under Deed of Covenant | <u>259,142</u> | <u>6,590</u> |
| | <u>482,225</u> | <u>797,254</u> |

10. **SHARE CAPITAL**

| | 2001 | 2000 |
|------------------------------------|-----------------|-----------------|
| | £ | £ |
| 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><u>2</u></u> | <u><u>2</u></u> |

11. **RESERVES**

Profit and loss account

| | 2001 | 2000 |
|---------------------------------|-----------------|-----------------|
| | £ | £ |
| Reserves brought forward | - | - |
| Profit/(Loss) for the period | <u>-</u> | <u>-</u> |
| Reserves as at 31 December 2001 | <u><u>-</u></u> | <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) £259,142 (2000: £6,590)

| | |
|--|-------------------------------|
| Amount received from Church of England Pensions Board as payments on account | £2,050,000 (2000: £1,500,000) |
|--|-------------------------------|

As at 31 December 2001 the company held no payments received on account in respect of contracts. (2000: creditors included £699,688 in respect of payments received in respect of the Scarborough contract).