

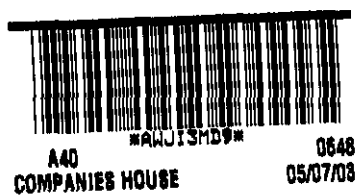
Grant Thornton 

**MOORFIELD CORPORATION
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002



Company no 02700733

MOORFIELD CORPORATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2002

Company registration number: 02700733

Registered office: 1 Bennetthorpe
Doncaster
South Yorkshire
DN2 6AA

Directors: D L Edelman
G B Hoffman
S Jackson
G M Parkin
A Phillips

Joint secretaries: P A Smith
P Healand

Principal bankers: The Royal Bank of Scotland plc
27 Park Row
Leeds
LS1 5QB

Solicitors: Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
St Johns Centre
110 Albion Street
Leeds
LS2 8LA

MOORFIELD CORPORATION LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2002

INDEX	PAGE
Report of the directors	1 - 2
Report of the independent auditors	3
Principal accounting policies	4
Profit and loss account	5
Balance sheet	6
Consolidated cash flow statement	7
Notes to the financial statements	8 - 14

MOORFIELD CORPORATION LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Principal activity

The principal activities of the company continue to be that of a parent company, holding investments in subsidiary undertakings. The company is also involved in the construction of commercial property.

Business review

The directors are satisfied with the results for the year as shown on page 5, and anticipate another successful year.

Total dividends for the year to 31 December 2002 were £Nil (2001: £60,000).

Directors

The present membership of the Board is set out below. All served on the Board throughout the year.

The interests of the directors and their families in the shares of the company as at 1 January 2002 and 31 December 2002 were as follows:

	Ordinary shares of £1 each	
	31 December 2002	1 January 2002
D L Edelman	-	-
G B Hoffman	-	-
S Jackson	90	90
G M Parkin	45	45
A Phillips	-	-

Directors' responsibilities for the financial statements

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 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
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOORFIELD CORPORATION LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



S Jackson
Director

23 June 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MOORFIELD CORPORATION LIMITED**

We have audited the financial statements of Moorfield Corporation Limited for the year ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

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 for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with 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 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 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 with the company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LEEDS

27 June 2003

MOORFIELD CORPORATION LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The financial statements only present information about the company and do not contain information relating to the group as a whole. The company is not required to prepare group financial statements because the group qualifies as medium size under Section 249 of the Companies Act 1985.

The principal accounting policies of the company are set out below and have remained unchanged from the previous year, apart from the introduction of Financial Reporting Standard 19: Deferred Taxation, this has had no material financial effect on the company.

INVESTMENTS

Investments are stated at cost less amounts written off. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises the acquisition and development costs excluding interest.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

RENTAL INCOME

Rental income represents the amounts receivable in respect of properties held for resale, net of value added tax.

MOORFIELD CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2002

	Note	2002 £	2001 £
Administration costs		(4,975)	(35,401)
Operating income		<u>130,792</u>	<u>195,715</u>
Operating profit		125,817	160,314
Income from shares in group undertakings		-	60,000
Interest receivable	2	18,180	46,460
Interest payable	3	<u>(102,545)</u>	<u>(134,678)</u>
Profit on ordinary activities before taxation	1	41,452	132,096
Tax on profit on ordinary activities	5	<u>-</u>	<u>(20,000)</u>
Profit on ordinary activities after taxation		41,452	112,096
Dividends	6	-	(60,000)
Profit retained and transferred to reserves	13	<u>41,452</u>	<u>52,096</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

MOORFIELD CORPORATION LIMITED

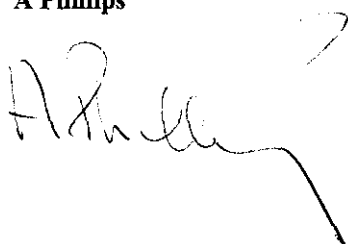
BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £	2001 £
Fixed assets			
Investments	7	<u>423,239</u>	<u>423,240</u>
Current assets			
Stocks	8	2,040,503	2,030,401
Debtors	9	23,844	65,627
Cash at bank and in hand		33,253	28,846
		<u>2,097,600</u>	<u>2,124,874</u>
Creditors: amounts falling due within one year	10	<u>(1,531,786)</u>	<u>(1,536,226)</u>
Net current assets		<u>565,814</u>	<u>588,648</u>
Total assets less current liabilities		<u>989,053</u>	<u>1,011,888</u>
Creditors: amounts falling due after more than one year	11	<u>(595,950)</u>	<u>(660,237)</u>
		<u>393,103</u>	<u>351,651</u>
Capital and reserves			
Called up share capital	12	360	360
Profit and loss account	13	392,743	351,291
Equity shareholders' funds	14	<u>393,103</u>	<u>351,651</u>

The financial statements were approved by the Board of Directors on ~~23 June 2003~~ and signed on their behalf by:

A Phillips

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

MOORFIELD CORPORATION LIMITED**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	15	153,534	224,031
Returns on investments and servicing of finance	17	(84,365)	(28,218)
Taxation paid		(5,000)	(21,372)
Acquisitions and disposals			
Purchase of joint venture and investments		-	(10,001)
Sale of joint venture		1	-
Equity dividends paid		-	(60,000)
Financing			
Repayment of borrowings		(59,763)	(107,111)
Net cash outflow from financing		(59,763)	(107,111)
Increase in cash	16	<u>4,407</u>	<u>(2,671)</u>

MOORFIELD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is attributable to the principal activities, and is wholly derived from the United Kingdom.

	2002 £	2001 £
Operating profit is stated after charging:		
Auditors remuneration	<u>3,050</u>	<u>3,800</u>

2 INTEREST RECEIVABLE

	2002 £	2001 £
Other interest receivable	189	161
Interest due from subsidiary undertaking	<u>17,991</u>	<u>46,299</u>
	<u>18,180</u>	<u>46,460</u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
On bank loans and overdrafts	<u>102,545</u>	<u>134,678</u>

4 DIRECTORS AND EMPLOYEES

There were no employees of the company.

The directors received no emoluments from the company. They were remunerated through a subsidiary undertaking.

MOORFIELD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 20%)	-	20,000
Total current tax	-	20,000

The tax for the period is lower than the standard rate of corporation tax in the United Kingdom of 30% (2001: 30%). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before taxation	41,452	132,096
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2001: 30%)	12,436	39,629
Effect of:		
Expenses not deductible for tax purposes	-	15
Adjustments in respect of lower rates of corporation tax applying	-	(9,979)
Group relief	(12,436)	8,335
Dividend not taxable	-	(18,000)
	-	20,000

6 DIVIDENDS

	2002 £	2001 £
Ordinary shares final dividend of £Nil (2001: £166.67) per share	-	60,000

7 FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2002 £	2001 £
Investments in subsidiary undertakings	423,239	423,239
Interest in joint venture	-	1
	423,239	423,240

MOORFIELD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

FIXED ASSET INVESTMENTS (CONTINUED)

	Investment in group undertakings £
Cost and net book value	
At 1 January 2002 and 31 December 2002	<u>423,239</u>

At 31 December 2002, the company held 20% or more of the allotted share capital of the following:

	Class of share capital held	Pro- portion held	Nature of business	Capital and reserves £	Profit/ (loss) for financial year £
Moorfield Developments Limited	£1 ordinary shares	100%	Property development	1,593,430	(227,500)
	£1 preference shares	100%			
Moorfield Construction (Doncaster) Limited	£1 ordinary shares	100%	Building contractor	(45,363)	46,264

The company also had the following investments in dormant subsidiaries:

Moorfield Commercial Limited	£1 ordinary shares	100%
Moorfield Property Investments Limited	£1 ordinary shares	100%

8 STOCKS

	2002 £	2001 £
Land and buildings for resale	1,593,444	1,583,462
Work in progress	447,059	446,939
	<u>2,040,503</u>	<u>2,030,401</u>

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	8,094	628
Other debtors	15,750	-
Amounts due from joint venture	-	64,999
	<u>23,844</u>	<u>65,627</u>

MOORFIELD CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans (see note 11)	1,251,229	1,246,932
Shareholders' loans	159,967	159,740
Other creditors	31,040	35,807
Other taxation and social security	5,433	3,841
Accruals and deferred income	59,138	55,212
Corporation tax	15,000	20,000
Amounts due to subsidiary undertaking	9,979	14,694
	<u>1,531,786</u>	<u>1,536,226</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Bank loans	<u>595,950</u>	<u>660,237</u>

Bank loans amounting to £1,847,179 (2001: £1,907,169) are secured by fixed charges on certain properties held as stocks and work in progress by the company.

Bank loans are repayable as follows:

	2002 £	2001 £
Within one year		
Bank and other borrowings	1,251,229	1,246,932
After one and within two years		
Bank and other borrowings	55,817	111,861
After two and within five years		
Bank and other borrowings	207,745	191,704
After five years		
Bank and other borrowings	332,388	356,672
	<u>1,847,179</u>	<u>1,907,169</u>

Included in bank loans are amounts payable, by instalments, after more than five years of £332,388 (2001: £356,672). The loans are at variable rates of interest of 1.25% above the base rate of the lender concerned.

MOORFIELD CORPORATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

12 CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>360</u>	<u>360</u>

13 RESERVES

	2002 and 2001 £
Balance as at 1 January 2002	351,291
Retained profit for the year	<u>41,452</u>
Balance as at 31 December 2002	<u>392,743</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	41,452	112,096
Dividends and other appropriations	-	(60,000)
Net increase in shareholders funds	<u>41,452</u>	<u>52,096</u>
Shareholders' funds at 1 January 2002	<u>351,651</u>	<u>299,555</u>
Shareholders' funds at 31 December 2002	<u>393,103</u>	<u>351,651</u>

15 RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	125,817	160,314
Increase in stocks	(10,102)	42,668
Decrease in debtors	41,783	34,189
Decrease in creditors	<u>(3,964)</u>	<u>(13,140)</u>
Net cash inflow from operating activities	<u>153,534</u>	<u>224,031</u>

MOORFIELD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
Increase in cash in the year	4,407	(2,671)
Cash outflow from financing	59,763	107,111
Change in net debt resulting from cash flows	64,170	104,440
Net debt at 1 January 2002	(2,038,063)	2,142,503
Net debt at 31 December 2002	(1,973,893)	(2,038,063)

17 RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2002 £	2001 £
Interest received	13,180	46,460
Interest paid	(102,545)	(134,678)
Dividends received	-	60,000
	(84,365)	(28,218)

18 ANALYSIS OF NET DEBT

	At 1 Jan 2002 £	Cash flow £	At 31 Dec 2002 £
Cash at bank and in hand	28,846	4,407	33,253
Loans	(2,066,909)	59,763	(2,007,146)
Net debt	(2,038,063)	64,170	(1,973,893)

19 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2002 or 31 December 2001.

20 CONTINGENT LIABILITIES

The company has agreed to provide an unlimited guarantee on some of the banking facilities of Moorfield Developments Limited. At the year-end, this amounted to £2,060,889.

The company has also undertaken to provide financial support to Moorfield Construction (Doncaster) Limited, which at 31 December 2002 had net liabilities of £45,363.

MOORFIELD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

21 TRANSACTIONS WITH RELATED PARTIES

The company owns 100% of the share capital of Moorfield Developments Limited ("MDL"). In the year the company loaned monies to MDL. Interest of £17,991 (2001: £46,299) was paid by MDL to the company, as detailed in note 2. The amount due to MDL at the year end was £9,979 (2001: £14,694).

All transactions were on an arm's length basis.

During the year the company sold its investment in its joint venture in Goldenmane Limited to MDL for £1.

The company was owed £15,750 (2001: £64,999) by Goldenmane Limited at 31 December 2002.

22 CONTROLLING RELATED PARTY

The directors consider that there is no controlling related party of this company.