

CHELSFIELD MH HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2003



CHELSEFIELD MH HOLDINGS LIMITEDDIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activity

The company's principal activity is investment in companies which hold property interests at Merry Hill in the West Midlands. It is anticipated that this principal activity will continue for the foreseeable future.

Results and dividend

The results for the year are shown in the profit and loss account on page 3.

The directors do not recommend the payment of a dividend (2002 - £nil). The retained profit for the year of £280,675 (2002 - £499,139) has been transferred to reserves.

Directors and directors' interests

The directors who held office during the year were as follows:

RE Butler
WN Hugill
D Phillips

None of the directors had any interest in the share capital of the company during the year. Their interests in the share capital of Chelsfield plc, the ultimate holding company at 31 December 2003, are disclosed in the financial statements of that company.

Auditors

The auditors, KPMG Audit Plc, will continue in office as the company has passed an elective resolution to dispense with their annual re-appointment.

By order of the board



KA Cook
Secretary
19 July 2004

67 Brook Street
London
W1K 4NJ

CHELSEFIELD MH HOLDINGS LIMITEDSTATEMENT OF 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHELSEFIELD MH HOLDINGS LIMITED

We have audited the financial statements on pages 3 to 8.

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 auditor's 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 directors and auditors

The directors are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor

LONDON

21 July 2004

CHELSFIELD MH HOLDINGS LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 2003

	Notes	2003 £	2002 £
Administrative expenses	1	(4,949)	(3)
Loss on disposal of investments	2	(46)	-
Loss on ordinary activities before interest		(4,995)	(3)
Interest receivable	3	405,959	499,261
Profit on ordinary activities before taxation		400,964	499,258
Taxation	4	(120,289)	(119)
Profit for the year	9	280,675	499,139

The above results relate entirely to continuing operations.

There were no gains or losses during the year other than those disclosed above.

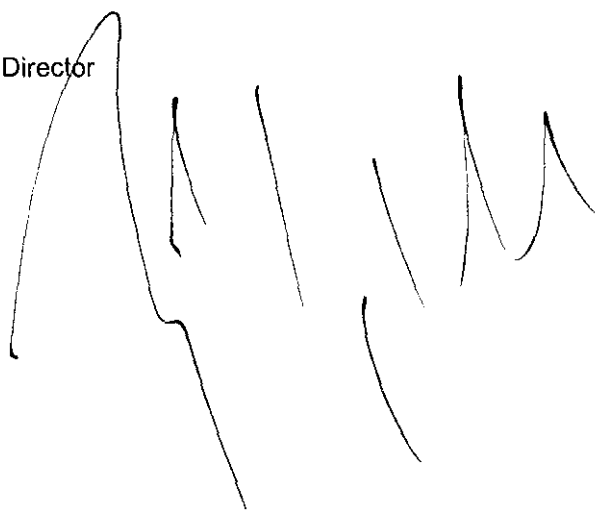
Details of reserve movements are set out in notes 9 and 10 to the accounts.

CHELSEFIELD MH HOLDINGS LIMITEDBALANCE SHEETAt 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	5	100,000	105,046
Current assets			
Debtors	6	9,562,798	9,156,269
Cash at bank		799	2,641
		<u>9,563,597</u>	<u>9,158,910</u>
Creditors - amounts falling due within one year	7	<u>(118,966)</u>	-
Net current assets		<u>9,444,631</u>	<u>9,158,910</u>
Net assets		<u>9,544,631</u>	<u>9,263,956</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Share premium account		3,999,002	3,999,002
Profit and loss account	9	5,544,629	5,263,954
Equity shareholders' funds		<u>9,544,631</u>	<u>9,263,956</u>

Approved by the board of directors on 19 July 2004 and signed on its behalf by:

WN Hugill, Director



CHELSEFIELD MH HOLDINGS LIMITEDACCOUNTING POLICIESBasis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to produce group accounts.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax on all timing differences that have originated but not reversed at the balance sheet date, where an event has occurred that results in an obligation to pay more or less tax in the future.

Cashflow statement

A consolidated cashflow is published in the group accounts of Chelsfield plc, the ultimate holding company. The company is exempt under Financial Reporting Standard No. 1 from publishing its own cashflow statement.

Related party transactions

As the company is a wholly owned subsidiary of Chelsfield plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Chelsfield plc, within which this company is included, can be obtained from the address given in note 11.

CHELSEFIELD MH HOLDINGS LIMITEDNOTES TO THE ACCOUNTS

1	<u>ADMINISTRATIVE EXPENSES</u>	2003 £	2002 £
	Professional fees	4,945	-
	Bank charges	4	3
		<u>4,949</u>	<u>3</u>
None of the directors received any remuneration from the company during the year (2002 - £nil).			
The group has no employees.			
Audit fees are paid by Chelsfield Management Services Limited and accounted for on a group basis.			
2	<u>LOSS ON DISPOSAL OF INVESTMENTS</u>		
	Sale proceeds	5,000	-
	Cost of sales	(5,046)	-
		<u>(46)</u>	<u>-</u>
3	<u>INTEREST RECEIVABLE</u>		
	Interest receivable on listed investments	160	400
	Interest receivable from group undertakings	405,799	498,861
		<u>405,959</u>	<u>499,261</u>
4	<u>TAXATION</u>		
	(i) Analysis of charge for the year		
	UK corporation tax on results (note 4(ii))	<u>(120,289)</u>	<u>(119)</u>
	(ii) Factors affecting tax charge for the year		
	Profit on ordinary activities before tax	<u>400,964</u>	<u>499,258</u>
	Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30 per cent (2002 - 30 per cent)	120,289	149,777
	Effects of:		
	No charge levied on group relief received	-	(149,658)
	Current tax charge	<u>120,289</u>	<u>119</u>

CHELSTFIELD MH HOLDINGS LIMITEDNOTES TO THE ACCOUNTS (continued)5 FIXED ASSET INVESTMENTS

	Listed Investments £	Unlisted Subsidiary Undertakings £	Total £
At 1 January 2003	5,046	100,000	105,046
Disposals	(5,046)	-	(5,046)
At 31 December 2003	-	100,000	100,000

The company's subsidiary undertakings are Chelsfield MH Investments Limited and Chelsfield MH Properties Limited, both of which are wholly owned and registered in England and Wales. Their principal activity is property investment in property located at the Merry Hill Centre in the West Midlands. In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than the amount shown above.

6 DEBTORS

	2003 £	2002 £
Amounts owed by ultimate parent undertaking	9,057,807	8,649,953
Amounts owed by subsidiary undertakings	504,671	504,671
Group relief receivable	-	1,325
Other debtors	320	320
	<u>9,562,798</u>	<u>9,156,269</u>

7 CREDITORS: amounts falling due within one year

Group relief payable	118,964	-
Accruals and deferred income	2	-
	<u>118,966</u>	<u>-</u>

8 CALLED UP SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid £
Ordinary shares of £1 each	1,000	1,000

There were no changes during the year in either the authorised or allotted share capital.

9 PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
At 1 January	5,263,954	4,764,815
Profit for the year	280,675	499,139
At 31 December	<u>5,544,629</u>	<u>5,263,954</u>

CHELSEFIELD MH HOLDINGS LIMITEDNOTES TO THE ACCOUNTS (continued)

10	<u>SHAREHOLDERS' FUNDS</u>	2003 £	2002 £
	At 1 January	9,263,956	8,764,817
	Profit for the year	280,675	499,139
		-----	-----
	At 31 December	9,544,631	9,263,956
		=====	=====

11 HOLDING COMPANIES

The immediate holding and controlling company is Chelsfield MH Group Limited. At 31 December 2003, the ultimate holding and controlling company was Chelsfield plc. Both companies are registered in England and Wales and the accounts of that ultimate holding company, which is both the largest and smallest group in which these results of the company are consolidated, are available from 67 Brook Street, London, W1K 4NJ.

Subsequent to the balance sheet date, on 28 April 2004, an offer for Chelsfield plc by Duelguide plc was declared unconditional in all respects and Chelsfield plc has since become a subsidiary of Duelguide plc.