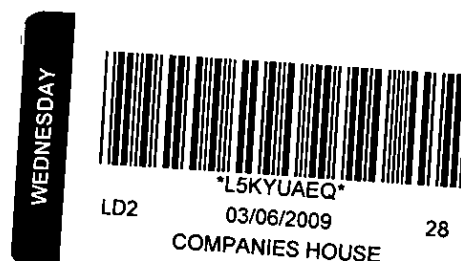




Grant Thornton

Financial statements Moorfield Development Holdings Limited

For the Year Ended 31 December 2008



Company No. 3497068

Officers and professional advisers

Company registration number	3497068
Registered office	Nightingale House 65 Curzon Street London W1J 8PE
Directors	Marc Gilbard Graham Stanley Graham Sidwell
Secretary	Timothy Sanderson
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

Report of the directors	3 - 4
Report of the independent auditor	5 - 6
Accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 - 13

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2008.

Principal activities

The principal activity of the company is investment in property companies.

Directors

The directors who served the company during the year were as follows:

Marc Gilbard
Graham Stanley
Graham Sidwell

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

29 MAY 2009

Timothy Sanderson
Secretary

.....





Report of the independent auditor to the members of Moorfield Development Holdings Limited

We have audited the financial statements of Moorfield Development Holdings Limited for the year ended 31 December 2008 on pages 9 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 7 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 auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Report of the independent auditor to the members of Moorfield Development Holdings Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Grant Thornton UK LLP

29/05/09
.....

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount. Cost is purchase price including acquisition expenses. Where the directors consider the impairment to be temporary the charge is made to the revaluation reserve.

Going concern

The financial statements have been prepared on the going concern basis due to the ongoing support by the ultimate parent undertaking Stessa Investments Limited.

Profit and loss account

	Note	2008 £000	2007 £000
Turnover		—	—
Operating profit		<u>—</u>	<u>—</u>
Income from shares in group undertakings	2	4,157	—
Amounts written off investments	3	(1,046)	—
Interest payable and similar charges		(150)	(85)
Profit/(loss) on ordinary activities before taxation		<u>2,961</u>	<u>(85)</u>
Tax on profit/(loss) on ordinary activities	4	—	—
Profit/(loss) for the financial year		<u>2,961</u>	<u>(85)</u>
Balance brought forward		(3,334)	(3,249)
Balance carried forward		<u>(373)</u>	<u>(3,334)</u>

All of the activities of the company are classed as continuing.


The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2008 £000	2007 £000
Fixed assets			
Investments	5	—	1,046
Creditors: amounts falling due within one year	6	(373)	(4,380)
Total assets less current liabilities		<u>(373)</u>	<u>(3,334)</u>
Capital and reserves			
Share capital	8	—	—
Profit and loss account	9	(373)	(3,334)
Deficit	10	<u>(373)</u>	<u>(3,334)</u>

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

These financial statements were approved by the directors and authorised for issue on 29 MAY 2009, and are signed on their behalf by:


Graham Sidwell
Director

Notes to the financial statements

1 Other operating charges

	2008 £000	2007 £000
Administrative expenses	—	—

2 Income from shares in group undertakings

	2008 £000	2007 £000
Income from group undertakings	4,157	—

3 Amounts written off investments

	2008 £000	2007 £000
Amount written off investments	1,046	—

4 Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

	2008 £000	2007 £000
Profit/(loss) on ordinary activities before taxation	2,961	(85)
Profit/(loss) on ordinary activities by rate of tax	844	(26)
Income not taxable	(886)	—
Group relief	42	26
Total current tax	—	—

5 Investments

	Investment in subsidiaries £000
Cost	
At 1 January 2008 and 31 December 2008	<u>1,046</u>
Amounts written off	
Written off in year	<u>1,046</u>
At 31 December 2008	<u>1,046</u>
Net book value	
At 31 December 2008	-
At 31 December 2007	<u>1,046</u>

The company owns 100% of the ordinary share capital of Moorfield Teesside Limited which is registered and operates in the UK as a property development company. In the year the investment was fully provided for.

6 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	223	4,380
Other creditors	<u>150</u>	-
	<u>373</u>	<u>4,380</u>

7 Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose inter-company related party transactions on the grounds that it is a wholly owned subsidiary of a parent undertaking which prepares and publishes consolidated financial statements.

Included within other creditors, as at 31 December 2008, the company owed £150,000 (2007: £nil) to Stessa Trading Limited, a related company. All transactions occurred on an arm's length basis under normal commercial terms.

8 Share capital

Authorised share capital:

	2008 £	2007 £
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

9 Profit and loss account

	2008 £000	2007 £000
Balance brought forward	(3,334)	(3,249)
Profit/(loss) for the financial year	<u>2,961</u>	<u>(85)</u>
Balance carried forward	<u>(373)</u>	<u>(3,334)</u>

10 Reconciliation of movements in shareholders' funds

	2008 £000	2007 £000
Profit/(Loss) for the financial year	2,961	(85)
Opening shareholders' deficit	<u>(3,334)</u>	<u>(3,249)</u>
Closing shareholders' deficit	<u>(373)</u>	<u>(3,334)</u>

11 Ultimate parent company

The ultimate parent company is Stessa Investments Limited, which is registered in England and Wales.

Groups accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.