

LANDCHIEF LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002



LANDCHIEF LIMITED

INDEX

	PAGE
COMPANY INFORMATION	1
REPORT OF THE DIRECTORS	2 - 3
REPORT OF THE AUDITORS	4 - 5
PROFIT AND LOSS ACCOUNT	6
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 14

LANDCHIEF LIMITED

COMPANY INFORMATION

COMPANY REGISTRATION NO.

1034233

DIRECTORS:

J M CHAMBERLAIN
P B WAYTE
V CHAMBURY
S MUCHA

SECRETARY:

V CHAMBURY

REGISTERED OFFICE:

HOUGHTON HALL
THE GREEN
HOUGHTON REGIS
DUNSTABLE
BEDFORDSHIRE
LU5 5DY

AUDITORS:

MAZARS
THE ATRIUM
PARK STREET WEST
LUTON
BEDFORDSHIRE
LU1 3BE

BANKERS:

NATIONAL WESTMINSTER BANK PLC
BARCLAYS BANK PLC

LANDCHIEF LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 2002.

STATEMENT 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 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;
- comply with applicable accounting standards 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 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.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of property investment. Both the level of business and the year end financial position were satisfactory.

RESULTS AND DIVIDENDS

The results of the company for the year ended 31 December 2002 are set out in the financial statements on pages 6 to 14. The directors recommend the payment of a final dividend of £200,000 (2001: final £200,000). Retained profits of £94,058 (2001: £79,988) have been transferred to reserves.

FIXED ASSETS

Details of changes in fixed assets are given in note 8 to the financial statements.

LANDCHIEF LIMITED

REPORT OF THE DIRECTORS

DIRECTORS

The directors set out below have held office during the whole of the period from 1 January 2002 to the date of this report.

No director had an interest in the shares of this company.

The interests, including beneficial interests, of the directors holding office on 31 December 2002 in the shares of the immediate parent company, Chamberlain Holdings Plc, according to the register of directors' interests were as shown below.

	Ordinary shares of £1 each	
	31 December 2002	1 January 2002

J M Chamberlain	772,498	772,498
P B Wayte	-	-
V Chambury	7,328	7,328
S Mucha	-	-

60,000 ordinary shares are held in trust for the benefit of J M Chamberlain and his family.

J M Chamberlain is the remainder man of the E M Chamberlain will trust. Following the death of the life tenant of that trust on 9 February 2003, he became beneficially entitled to 187,756 shares in Chamberlain Holdings Plc.

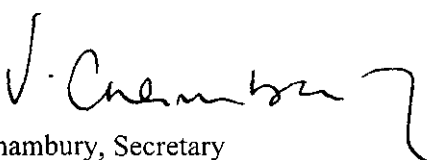
TAXATION STATUS OF THE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

Mazars (formerly known as Mazars Neville Russell) have signified their willingness to continue in office and a resolution proposing their re-appointment as auditors will be put to the forthcoming annual general meeting.

Approved by the board on 18 July 2003
and signed on its behalf by


V Chambury, Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LANDCHIEF LIMITED

We have audited the financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and related notes. These financial statements have been prepared under the historical cost convention and 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, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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. 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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

A handwritten signature in black ink, appearing to be 'Mr. ~'.

MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors
The Atrium
Park Street West
Luton
Bedfordshire LU1 3BE

Date: 18 July 2003

LANDCHIEF LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
RENT RECEIVABLE	2		
Investment properties		357,952	348,147
Property management and outgoings		<u>(10,857)</u>	<u>(33,059)</u>
NET RENTAL INCOME		347,095	315,088
Administrative expenses		<u>(7,721)</u>	<u>(10,858)</u>
OPERATING PROFIT		339,374	304,230
Interest receivable and similar income		-	-
Interest payable and similar charges	5	<u>(35,764)</u>	<u>(16,749)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	303,610	287,481
Taxation on profit on ordinary activities	6	<u>(9,552)</u>	<u>(7,493)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	294,058	279,988
Dividends	7,15	<u>(200,000)</u>	<u>(200,000)</u>
RETAINED PROFIT FOR THE YEAR	14	94,058	79,988
Retained profit at 31 December 2001	14	<u>3,689,945</u>	<u>3,609,957</u>
Retained profit at 31 December 2002	14	<u><u>3,784,003</u></u>	<u><u>3,689,945</u></u>

The company's turnover and expenses all relate to continuing operations.

The profit for the year has been calculated on the historical cost basis.

LANDCHIEF LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2002

	2002	2001
	£	£
Profit for the financial year	294,058	279,988
Unrealised surplus on revaluation of properties	-	2,886
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	294,058	282,874
TOTAL GAINS AND LOSSES RECOGNISED SINCE THE LAST ANNUAL REPORT	294,058	282,874

LANDCHIEF LIMITED

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8		
Investment properties		3,815,000	3,815,000
		<u>3,815,000</u>	<u>3,815,000</u>
CURRENT ASSETS			
Debtors	9	4,183,318	4,174,902
Cash at bank and in hand		114,152	92,222
		<u>4,297,470</u>	<u>4,267,124</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,586,383)	(1,588,230)
		<u>2,711,087</u>	<u>2,678,894</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		6,526,087	6,493,894
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(527,923)	(592,923)
PROVISIONS FOR LIABILITIES AND CHARGES	12	(3,135)	-
NET ASSETS		<u>5,995,029</u>	<u>5,900,971</u>
CAPITAL AND RESERVES			
Called up share capital	13	200	200
Revaluation reserve	14	2,210,826	2,210,826
Profit and loss account	14	3,784,003	3,689,945
EQUITY SHAREHOLDERS' FUNDS	15	<u>5,995,029</u>	<u>5,900,971</u>

Approved by the board on 18 July 2003
and signed on its behalf by



J M Chamberlain, Director



S Mucha, Director

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

(a) Accounting convention

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of land and buildings.

(b) Investment properties

In accordance with Statement of Standard Accounting Practice No. 19 investment properties are stated at their open market valuation and are not depreciated.

Surpluses and deficits arising on revaluation are transferred to or from the revaluation reserve. Surpluses and deficits arising on sale including revaluation surpluses and deficits of previous periods, are transferred to or from distributable reserves.

(c) Depreciation

Depreciation is calculated to write off the cost of other tangible fixed assets over their estimated useful lives on a reducing balance basis.

(d) Deferred taxation

The company has adopted FRS 19 this year. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on the revaluation of fixed assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 RENT RECEIVABLE

This represents amounts receivable by the company in respect of rents from investment properties in the United Kingdom.

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2002 £	2001 £
	The profit on ordinary activities before taxation is stated after charging:		
	Auditors' remuneration	5,338	5,270

4 DIRECTORS AND STAFF

The company did not employ any staff other than directors in the current or previous year. No emoluments were paid in either year.

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

5	INTEREST PAYABLE AND SIMILAR CHARGES	2002	2001
		£	£
	Bank loans and overdrafts wholly repayable within 5 years	35,276	561
	Bank loans wholly repayable after 5 years	376	16,175
	Other interest	112	13
		<u>35,764</u>	<u>16,749</u>
6	TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2002	2001
		£	£
	Current taxation		
	UK Corporation tax charge for the year	6,417	7,500
	Adjustments in respect of prior years	-	(7)
		<u>6,417</u>	<u>7,493</u>
	Total current tax	6,417	7,493
	Deferred tax		
	Origination and reversal of timing difference (note 12)	3,135	-
		<u>9,552</u>	<u>7,493</u>

There has been no need to restate comparative figures for tax on profit on ordinary activities following the adoption of FRS 19. This is because the changes in method of accounting for deferred tax is not material to either results or shareholders funds.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%. The actual tax charge for the current and the previous year varies from the standard rate for the reasons set out in the following reconciliation.

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>303,610</u>	<u>287,481</u>
Tax on profit on ordinary activities at standard rate	91,083	86,244
Factors affecting charge for the year:		
Group relief surrendered not paid for	(82,775)	(74,563)
Capital allowances in excess of depreciation	(413)	(431)
Expenses not deductible for tax purposes	2,105	-
Adjustments to tax charge in respect of previous period	-	(7)
Other timing differences	(3,583)	(3,750)
	<u>6,417</u>	<u>7,493</u>
Total actual amount of current tax		

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

7	DIVIDENDS	2002	2001
		£	£
	Ordinary final paid	<u>200,000</u>	<u>200,000</u>

8 TANGIBLE FIXED ASSETS

INVESTMENT PROPERTIES

	Land & Buildings		
	Freehold	Leasehold	
	Property	Properties	
	£	Longterm	Total
		£	£
VALUATION			
At 1 January 2002 and at 31 December 2002	<u>3,040,000</u>	<u>775,000</u>	<u>3,815,000</u>

The amount of land and buildings (included above at valuation) determined according to the historical cost accounting rules is as follows:

	Land & Buildings		
	Freehold	Leasehold	
	Property	Properties	
	£	Longterm	Total
		£	£
COST			
At 1 January 2002 and at 31 December 2002	<u>1,494,279</u>	<u>109,895</u>	<u>1,604,174</u>

The properties have been valued at 31 December 2002 on an open market basis by Mr J M Chamberlain, Group Managing Director.

9	DEBTORS	2002	2001
		£	£
	DUE WITHIN ONE YEAR		
	Trade debtors	33,731	28,470
	Amounts owed by fellow subsidiary company	4,103,296	4,124,694
	Prepayments and accrued income	46,291	21,738
		<u>4,183,318</u>	<u>4,174,902</u>

LANDCHIEF 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 and overdrafts	65,000	65,000
	Trade creditors	7,899	15,709
	Amounts owed to holding and fellow subsidiary companies	1,403,058	1,394,859
	Corporation tax	6,417	7,500
	Other creditors	34,370	35,183
	Accruals and deferred income	69,639	69,979
		<u>1,586,383</u>	<u>1,588,230</u>

The bank loans and overdrafts are secured by a fixed charge on certain of the company's investment properties.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Bank loans	520,000	585,000
Amounts owed to holding and fellow subsidiary companies	7,923	7,923
	<u>527,923</u>	<u>592,923</u>
Included above are the following:		
Amounts repayable by instalments:		
Not wholly repayable within 5 years:		
Repayable within 5 years	260,000	325,000
Repayable after 5 years	260,000	260,000
	<u>520,000</u>	<u>585,000</u>
Wholly repayable within 5 years	7,923	7,923
	<u>527,923</u>	<u>592,923</u>

The bank loans bear interest at a rate of 1.75% above base which fluctuates in line with rate changes. At the year end, the rate applied to loans was 5.75% (2001: 5.75%).

LANDCHIEF LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2002

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The bank loans and overdrafts are secured by a fixed charge on certain of the company's investment properties.

	2002 £	2001 £
Maturity of debt:		
Amounts falling due:		
In one year or less, or on demand	65,000	65,000
In more than one year but not more than two years	65,000	65,000
In more than two years but not more than five years	195,000	195,000
In five years or more	260,000	325,000
	<u>585,000</u>	<u>650,000</u>

12 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation	£
Balance at 1 January 2002	-
Profit and loss account charge	3,135
	<u>3,135</u>
Balance at 31 December 2002	<u>3,135</u>

Following the adoption of FRS 19, the deferred taxation consists of assets recognised and those not recognised in the accounts. The assets have been calculated at corporation tax rate of 30% (2001: 30%).

	(Asset recognised)/ amount provided		(Asset not recognised)/ amount unprovided	
	2002	2001	2002	2001
	£	£	£	£
Property revaluations	-	-	170,788	180,867
Capital allowances in excess of depreciation	(161)	-	-	(214)
Buildings allowance	3,296	-	-	2,936
	<u>3,135</u>	<u>-</u>	<u>170,788</u>	<u>183,589</u>

13 SHARE CAPITAL

The share capital at 31 December 2002 and 31 December 2001 was:

	Authorised £	Allotted, Issued and Fully Paid £
Ordinary shares of £1 each	<u>1,000</u>	<u>200</u>

LANDCHIEF LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2002**

14	RESERVES	Revaluation Reserve £	Profit and Loss Account £	Total £
	At 1 January 2002	2,210,826	3,689,945	5,900,771
	Retained profit	-	94,058	94,058
	At 31 December 2002	<u>2,210,826</u>	<u>3,784,003</u>	<u>5,994,829</u>

Of the total amount of reserves £2,210,826 (2001: £2,210,826) is not available for distribution.

No provision has been made for additional United Kingdom taxation which arise if the land and buildings were disposed of at their revalued amount. The contingent liability is included in the potential liability to deferred taxation set out in note 12.

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	294,058	279,988
Dividend paid	(200,000)	(200,000)
Surplus arising on revaluation of investment properties	-	2,886
Net addition to shareholders' funds	<u>94,058</u>	<u>82,874</u>
Opening shareholders' funds	<u>5,900,971</u>	<u>5,818,097</u>
Closing shareholders' funds	<u>5,995,029</u>	<u>5,900,971</u>

16 CONTINGENT LIABILITIES

The company has given an unlimited guarantee for borrowing made by the holding company, secured by a fixed and floating charge over the company's assets. However, in view of the financial position of the companies guaranteed, the directors do not consider that any contingent liability arises.

17 HOLDING COMPANY

The immediate and ultimate holding company is Chamberlain Holdings Plc, incorporated in Great Britain.