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Company Registration Number

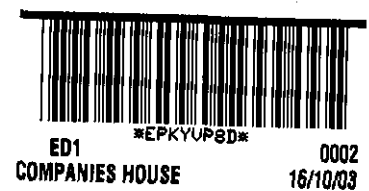
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BAMFORD GROUP LIMITED

ACCOUNTS

For the year ended 31 December 2002

C L B
Chartered Accountants
MANCHESTER



BAMFORD GROUP LIMITED

Year to 31 December 2002

Directors

Sir Hugh Sykes
Lady Sykes

Chairman

Secretary

B W Evans

Auditors

C L B
Century House
St. Peter's Square
Manchester
M2 3DN

Bankers

Barclays Bank Plc
P O Box 1385
2 Arena Court
Sheffield
S9 2WU

Registered Office

Bamford Hall
The Hollow
Bamford
Hope Valley
S33 OAU

BAMFORD GROUP LIMITED

Report of the Directors

The Directors submit their report to the shareholders, together with the audited accounts, for the year ended 31 December 2002.

Principal Activities

The principal activities of the Group were the provision of consultancy, business management and advisory services and property development.

Directors and their Interests

The Directors holding office during the year and their interest in the share capital of the Company are as follows :

	Ordinary shares	
	31 December 2002	31 December 2001
Sir Hugh Sykes	5,090	5,090
Lady Sykes	4,080	4,080

Sir Hugh and Lady Sykes have a joint interest in an additional 12,622 ordinary share on behalf of their children, which are held non-beneficially.

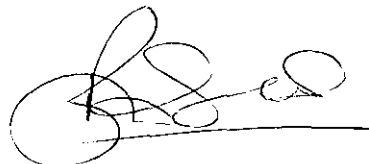
Auditors

C L B have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be put to the Annual General Meeting.

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

By Order of the Board

19 September 2003



B W EVANS

Secretary

BAMFORD GROUP LIMITED

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 the Group and of the profit or loss of the Group 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
- follow applicable accounting standards subject to any material departure disclosed and explained in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Shareholders of BAMFORD GROUP LIMITED

We have audited the financial statements on pages 5 to 12.

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 director's responsibilities for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities on page 3.

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 director's 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 required for our audit, or if information by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we became aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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



C L B

Chartered Accountants and Registered Auditors

Manchester

19 September 2003

BAMFORD GROUP LIMITED**Consolidated Profit and Loss Account
Year to 31 December 2002**

	Note	2002 £	2001 £
Turnover			
Continuing operations	1	177,777	165,346
Net operating expenses	2	(252,989)	(240,158)
Operating loss - continuing operations	3	(75,212)	(74,812)
Profit on sale of investments		37,194	115,250
Provision for loss on permanent diminution in value of investment		(103,675)	(122,054)
(Loss) on ordinary activities before interest		(141,693)	(81,616)
Dividends received		35,260	37,867
Interest receivable		36,270	33,796
Property investment income		65,805	-
(Loss) on ordinary activities before taxation		(4,358)	(9,953)
Taxation	4	4,436	(46,384)
Transfer to reserves	13	78	(56,337)

Statement of Total Recognised Gains and Losses

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

BAMFORD GROUP LIMITED

**Consolidated Balance Sheet
At 31 December 2002**

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	5	12,062	19,178
Investments	6	715,000	715,000
		727,062	734,178
Current assets			
Investments	7	1,141,901	1,708,599
Trading development properties	9	544,864	544,864
Debtors	10	185,086	132,769
Cash at bank and building societies		1,129,976	368,058
		3,001,827	2,754,290
Creditors			
Amounts falling due within one year	11	(30,631)	(90,288)
Net current assets		2,971,196	2,664,002
Total assets less current liabilities		3,698,258	3,398,180
Capital and reserves			
Called up share capital	12	22,942	22,942
Capital reserve		35,715	35,715
Capital redemption reserve		1,429	1,429
Investment revaluation reserve	14	700,000	400,000
Profit and loss account	13	2,938,172	2,938,094
Equity shareholders' funds	15	3,698,258	3,398,180

These accounts were approved by the Directors :

SIR HUGH SYKES
Director



19 September 2003

BAMFORD GROUP LIMITED**Parent Balance Sheet
At 31 December 2002**

	Note	2002 £	2001 £
Investments	8	11,471	11,471
Current assets			
Amounts owed by group undertakings		13,271	13,271
Total assets less current liabilities		24,742	24,742
Capital and reserves			
Called up share capital	12	22,942	22,942
Profit and loss account	13	1,800	1,800
Equity shareholders' funds	15	24,742	24,742

These accounts were approved by the Directors :

SIR HUGH SYKES
Director



19 September 2003

BAMFORD GROUP LIMITED

Statement of Accounting Policies

Accounting convention

The accounts have been prepared using the historical cost basis of accounting .

Consolidation

The consolidated accounts incorporate the accounts of Bamford Group Limited and all of its subsidiary undertakings made up to 31 December 2002. A separate profit and loss account for the parent company is not presented as provided by Section 230 of the Companies Act 1985.

Depreciation

Depreciation is provided annually on a straight line basis over the estimated useful lives of fixed assets. The principal rates in use are :

Fixtures and fittings	10%
Motor vehicles	33%
Electronic equipment	25%

The investment property is included in the balance sheet at open market value and is not subject to depreciation.

Deferred taxation

The amount provided for deferred taxation is that which, in the opinion of the Directors, is anticipated to be payable in the foreseeable future.

Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the period benefiting from the employees' services.

Trading development properties

Trading development properties are valued at the lower of cost and net realisable value.

Cash flow statement

The Group has taken advantage of the exemptions conferred by Financial Reporting Standard No 1 and has not produced a cash flow statement on the grounds that it is a small group.

Rental income

Rental income is accounted for in the period in which it falls.

Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

BAMFORD GROUP LIMITED

Notes on the Accounts At 31 December 2002

	2002 £	2001 £
1 Turnover		
<i>Turnover represents the amount invoiced for services provided (stated net of value added tax), all arising in the United Kingdom.</i>		
2 Net operating expenses		
Administrative expenses	168,091	162,838
Other operating expenses	84,898	77,320
	<u>252,989</u>	<u>240,158</u>
3 Operating (loss)/profit		
This is stated after charging/(crediting) the following :		
Auditors' remuneration	5,500	5,000
Depreciation	7,236	8,102
Profit on sale of fixed assets	-	(3,650)
Directors emoluments	-	-
	<u>-</u>	<u>-</u>
4 Taxation		
U K corporation tax at 20 % for the year	-	46,384
Prior years :		
Corporation tax	(4,436)	-
	<u>(4,436)</u>	<u>46,384</u>

BAMFORD GROUP LIMITED

Notes on the Accounts

At 31 December 2002

		Plant and vehicles £
5 Tangible fixed assets - Group		
Cost		
At 1 January 2002		36,699
Additions		119
Disposals		-
At 31 December 2002		<u>36,818</u>
Accumulated depreciation :		
At 1 January 2002		17,521
Charge for year		7,235
Disposals		-
At 31 December 2002		<u>24,756</u>
Net book value :		
At 31 December 2002		<u>12,062</u>
At 31 December 2001		<u>19,178</u>
	2002	2001
	£	£
6 Fixed Assets Investments - Group		
Cost or valuation		
Unquoted investments	15,000	15,000
Investment property:		-
Brought forward	700,000	-
Transferred from current assets	-	300,000
Realisation in year	(300,000)	-
Revaluation surplus	<u>300,000</u>	<u>400,000</u>
	700,000	700,000
	<u>715,000</u>	<u>715,000</u>
At valuation 2002	700,000	-
At cost	<u>15,000</u>	<u>15,000</u>
	<u>715,000</u>	<u>15,000</u>

The unquoted investment represents a holding of 15,000 ordinary shares (23% holding) in Riding Hall Carpets Limited, a company registered in England. Net assets of Riding Hall Carpets Limited at 30 November 2002 were £980,000 of which the Group's share is £225,000.

The investment property was valued at open market value at 31 December 2002 by an officer of the company.

BAMFORD GROUP LIMITED**Notes on the Accounts
At 31 December 2002**

	2002 £	2001 £
7 Current Assets Investments - Group		
Quoted investments at cost	1,245,576	1,830,653
Less: provision for permanent diminution in value	(103,675)	(122,054)
	<u>1,141,901</u>	<u>1,708,599</u>
Market value of investments at 31 December 2002 was £1,012,463 (2001 - £1,664,781)		
8 Investments - Parent company		
Subsidiary undertakings	<u>11,471</u>	<u>11,471</u>
The only trading subsidiary is Bamford Hall Holdings Limited, which is 100% owned, and incorporated in England. Its principal activity is that of financial and management consultancy and property development.		
9 Trading development properties - Group		
At 1 January 2002	544,864	844,864
Transfer to fixed assets	-	(300,000)
At 31 December 2002	<u>544,864</u>	<u>544,864</u>
10 Debtors - Group		
Due within one year :		
Trade debtors	10,603	12,095
Other debtors	170,047	120,674
Corporation tax recoverable	4,436	-
	<u>185,086</u>	<u>132,769</u>
11 Creditors - Group		
Due within one year :		
Trade creditors	4,335	1,631
Other taxation	4,273	17,790
Corporation tax	-	46,384
Accruals and deferred income	22,023	24,483
	<u>30,631</u>	<u>90,288</u>

BAMFORD GROUP LIMITED

Notes on the Accounts At 31 December 2002

	2002 £	2001 £		
12 Called up share capital				
Authorised				
Ordinary shares of £1 each	24,000	24,000		
Allotted, called up and fully paid				
Ordinary shares of £1 each	22,942	22,942		
	Group	Parent		
	2002	2001		
	£	£		
13 Profit and loss account				
At 1 January 2002	2,938,094	2,994,431	1,800	1,800
Retained profit/(loss) for the year	78	(56,337)	-	-
At 31 December 2002	2,938,172	2,938,094	1,800	1,800
The profit after taxation dealt with in the accounts of the Parent was £Nil (2001 - £Nil).				
14 Investment revaluation reserve - Group				
Revaluation surplus brought forward	400,000			-
Revaluation surplus in the year	300,000			400,000
	700,000			400,000
15 Reconciliation of movements in shareholders' funds				
Retained profit/(loss) for the financial year	78	(56,337)	-	-
Revaluation in year	300,000	400,000	-	-
At 1 January 2002	3,398,180	3,054,517	24,742	24,742
At 31 December 2002	3,698,258	3,398,180	24,742	24,742
16 Pensions				
The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £4,425 (2001 - £4,050). Contributions totalling £ Nil (2001 - £ Nil) , were payable to the fund at the year end and are included in creditors.				
17 Control				
The Company is controlled by Sir Hugh and Lady Sykes.				