Company Registration Number 1950430

BAMFORD GROUP LIMITED

ACCOUNTS

For the year ended 31 December 2004



C L B Coopers
Chartered Accountants
MANCHESTER

BAMFORD GROUP LIMITED

Year to 31 December 2004

Directors	**Sir Hugh Sykes** **Lady Sykes**	Chairman
Secretary	**B W Evans**	
Auditors	**C L B Coopers** **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 2004.

Principal Activities

The principal activities of the Group were the provision of consultancy, business management and advisory services and property development. During the year the company acquired the whole of the share capital of Brookfield Manor Limited, a company involved in the provision of training and conference facilities.

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 2004	31 December 2003
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.

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.

Auditors

C L B Coopers 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

B W EVANS
Secretary

17 October 2005

BAMFORD GROUP LIMITED

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

We have audited the financial statements on pages 5 to 13.

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 2.

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 2004, 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 Coopers

C L B Coopers
Chartered Accoutants and Registered Auditors
Manchester
17 October 2005

BAMFORD GROUP LIMITED

Consolidated Profit and Loss Account
Year to 31 December 2004

	Note	2004 £	2003 £
Turnover	2	**1,334,825**	193,264
Cost of sales		**(236,896)**	-
Gross profit		**1,097,929**	193,264
Distribution costs		**(3,374)**	-
Administrative expenses		**(955,157)**	(166,433)
Property trading expenses		**(131,617)**	(122,705)
Other operating income		**7,105**	-
Operating profit (loss)	3	**14,886**	(95,874)
Loss on sale of fixed assets		**(6,275)**	-
Profit on sale of investments		**164,299**	367,973
Dividends received		**56,686**	33,293
Interest receivable		**28,782**	43,045
Interest payable		**(118,810)**	-
Property investment income		**61,054**	103,502
Profit on ordinary activities before taxation		**200,622**	451,939
Tax on profit on ordinary activities	4	**(83,013)**	7,992
Transfer to reserves	15	**117,609**	459,931

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 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	5	2,165,731	5,589
Investments	6	475,645	733,750
Goodwill	7	1,532,323	-
		4,173,699	739,339
Current assets			
Investments	8	1,616,035	1,476,505
Trading development properties	9	416,684	544,864
Stocks		15,403	-
Debtors	10	427,132	234,101
Cash at bank and building societies		758,323	1,213,744
		3,233,577	3,469,214
Creditors : amounts falling due within one year	11	(3,027,351)	(50,364)
Net current assets		206,226	3,418,850
Total assets less current liabilities		4,379,925	4,158,189
Creditors : amounts falling due after one year	12	80,727	-
Deferred taxation	13	23,400	-
Total assets less current liabilities		4,275,798	4,158,189
Capital and reserves			
Called up share capital	14	22,942	22,942
Capital reserve		35,715	35,715
Capital redemption reserve		1,429	1,429
Investment revaluation reserve	16	441,895	700,000
Profit and loss account	15	3,773,817	3,398,103
Equity shareholders' funds	17	4,275,798	4,158,189

These accounts were approved by the Directors :

SIR HUGH SYKES
Director



17 October 2005

BAMFORD GROUP LIMITED

Parent Balance Sheet
At 31 December 2004

	Note	2004 £	2003 £
Investments	6	**3,238,754**	11,471
Current assets			
Amounts owed by group undertakings	10	**2,350**	13,271
Total assets less current liabilities		**3,241,104**	24,742
Creditors : amounts falling due within one year	11	**(3,309,443)**	-
		(68,339)	24,742
Capital and reserves			
Called up share capital	14	**22,942**	22,942
Profit and loss account	15	**(91,281)**	1,800
Equity shareholders' funds	17	**(68,339)**	24,742

These accounts were approved by the Directors :

SIR HUGH SYKES
Director

17 October 2005

Notes on the Accounts
At 31 December 2004

1 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 2004. A separate profit and loss account for the parent company is not presented as provided by Section 230 of the Companies Act 1985.

On the acquisition of subsidiary undertakings, fair values are attributed to the underlying net assets acquired. Goodwill represents the excess of the consideration over the fair values.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

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.

Statement of Accounting Policies (continued)

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.

2 Turnover

Turnover represents the amount invoiced for services provided (stated net of value added tax), all arising in the United Kingdom.

	2004	2003
	£	£
3 Operating profit (loss)		
This is stated after charging the following :		
Auditors' remuneration	**5,500**	5,500
Depreciation of owned fixed assets	**37,177**	7,028
Depreciation of assets held under hire purchase agreements	**3,642**	-
Directors emoluments	**-**	-
4 Taxation		
U K corporation tax:		
Charge based on the results of the year	**70,087**	16,479
Under/(over) provision in prior year	**9,226**	(24,471)
Deferred tax:		
Charge in respect of timing differences		
Capital allowances (note 13)	**3,700**	-
	83,013	(7,992)

Notes on the Accounts
At 31 December 2004

5 Tangible fixed assets - Group	Freehold land and buildings £	Plant and vehicles £	Total £
Cost :			
At 1 January 2004	-	37,373	37,373
Acquisition of subsidiary	2,000,000	334,177	2,334,177
Additions	-	27,374	27,374
Disposals	-	(63,012)	(63,012)
At 31 December 2004	2,000,000	335,912	2,335,912
Accumulated depreciation :			
At 1 January 2004	-	31,784	31,784
Acquisition of subsidiary	-	126,516	126,516
Charge for year	-	40,819	40,819
Relating to disposals	-	(28,938)	(28,938)
At 31 December 2004	-	170,181	170,181
Net book value :			
At 31 December 2004	**2,000,000**	**165,731**	**2,165,731**
At 31 December 2003	-	5,589	5,589

Hire purchase agreements

Included within the net book value of £814,165 is £9,112 (2003 Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements for the year in respect of such assets amounted to £3,642 (2003 Nil).

6 Fixed Assets Investments	Investment property £	Unquoted investment £	Group Total £	Subsidiary undertakings £
At 1 January 2004	700,000	33,750	**733,750**	**11,471**
Additions	-	-	-	**3,227,283**
Disposals	(258,105)	-	**(258,105)**	-
At 31 December 2004	441,895	33,750	**475,645**	**3,238,754**

The unquoted investment represents a holding of 16,250 ordinary shares (25% holding) in Riding Hall Carpets Limited, a company registered in England. Net assets of Riding Hall Carpets Limited at 30 November 2004 were £915,000 of which the Group's share is £229,000.

During the year there was a part disposal of the investment property. The value of the remainder has been reduced from the amount shown in the financial statements for the previous year.

The investment property was valued at open market value at 31 December 2004 by an officer of the company.

6 Fixed Assets Investments (continued)

Subsidiary undertakings

At 1 January 2004, the only trading subsidiary was 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. During the year, the company acquired the whole of the share capital in Brookfield Manor Limited which is also 100% owned and incorporated in England. The principal activity of Brookfield Manor Limited is that of provision of training and conference centre facilities.

7 Goodwill

	2004	2003
	£	£
On acquisition of subsidiary company	**1,532,323**	-

8 Current Assets Investments

	2004		2003	
	Group	Company	Group	Company
	£	£	£	£
Quoted investments at cost	**1,616,035**	-	1,476,505	-

Market value of investments at 31 December 2004 was £1,839,209 (2003 - £1,633,466)

9 Trading development properties

At 1 January 2004	**544,864**	-	544,864	-
Disposal in year	**(128,180)**	-	-	-
At 31 December 2004	**416,684**	-	544,864	-

10 Debtors

Due within one year :				
Trade debtors	**104,629**	-	13,610	-
Subsidiary undertakings	**-**	**2,350**	-	13,271
Corporation tax recoverable	**1,847**	-	-	-
Prepayments	**18,016**	-	-	-
Other debtors	**302,640**	-	220,491	-
	427,132	**2,350**	234,101	13,271

	2004		2003	
	Group	Company	Group	Company
	£	£	£	£
11 Creditors				
Due within one year :				
Bank loans and overdrafts	**239,794**	-	-	-
Trade creditors	**114,817**	**3,143**	6,890	-
Subsidiary undertakings	-	**835,210**	-	-
Other taxation	**23,241**	-	4,260	-
Corporation tax	**47,824**	-	16,479	-
Hire purchase agreements	**3,901**	-	-	-
Other creditors	**117**	-	8,178	-
Accruals and deferred income	**222,657**	**96,090**	14,557	-
Director's loan	**2,375,000**	**2,375,000**	-	-
	3,027,351	**3,309,443**	50,364	-
12 Creditors				
Due after more than one year:				
Bank loans and overdrafts	**80,402**	-	-	-
Hire purchase agreements	**325**	-	-	-
	80,727	-	-	-
13 Deferred Taxation				
Acqisition of subsidiary	**19,700**	-	-	-
Increase in provision	**3,700**	-	-	-
	23,400	-	-	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of excess of taxation allowances over depreciation on fixed assets.

	2004 £	2003 £
14 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

	2004		2003	
	Group £	Company £	Group £	Company £
15 Profit and loss account				
At 1 January 2004	**3,398,103**	**1,800**	2,938,172	1,800
Retained profit for the year	**117,609**	**(93,081)**	459,931	-
Transfer from revaluation reserve	**258,105**	**-**	-	-
At 31 December 2004	**3,773,817**	**(91,281)**	3,398,103	1,800
16 Investment revaluation reserve				
Revaluation surplus brought forward	**700,000**	**-**	700,000	-
Released to profit and loss account	**(258,105)**	**-**	-	-
Revaluation surplus carried forward	**441,895**	**-**	700,000	-
17 Reconciliation of movements in shareholders' funds				
Retained profit for the financial year	**117,609**	**(93,081)**	459,931	-
At 1 January 2004	**4,158,189**	**24,742**	3,698,258	24,742
At 31 December 2004	**4,275,798**	**(68,339)**	4,158,189	24,742

18 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 £16,575 (2003 - £4,125). Contributions totalling £ Nil (2003 - £ Nil) , were payable to the fund at the year end and are included in creditors.

19 Related party transactions

During the year, Sir Hugh Sykes made a loan to the company of £2,375,000. Interest payable on this loan during the year amounted to £96,090.

20 Control

The Company is controlled by Sir Hugh and Lady Ruby Sykes.