REGISTRAR'S COPY

North Limited

Directors' report and financial statements

Registered number SC154121

30 June 2002



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2002.

Principal activities

The principal activity of the company during the year was that of a property developer.

Business review

Significant progress was made in the year which has continued since the year end. Further substantial progress is anticipated.

Proposed dividend and transfer to reserves

The directors cannot recommend the payment of a dividend. The loss for the year of £1,723 *(2001:£581)* has been transferred to reserves.

Directors and directors' interests

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

WRM Prosser
DG Burt
HMB Caseley
PM Pearce
DM Anderson

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The interests of the directors in the share capital of group companies are disclosed in the directors' report of the parent company.

Auditors

KPMG were re-appointed auditors at the last Annual General Meeting. However, since that date their business was transferred to a limited liability partnership, KPMG LLP. Accordingly, KPMG resigned as auditors on 14 June 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising. A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

HMB Caseley
Director



First Floor
McAdam House
1 Cadzow Lane
Hamilton
Strathclyde
ML3 6AS

24 January 2003

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 year. 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;
- 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.

KPMG

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditors report to the members of North Limited

We have audited the financial statements on pages 4 to 10.

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 on page 2, 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 30 June 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

24 January 2003

Profit and loss account

for the year ended 30 June 2002

	Notes	**2002** £	2001 £
Administrative expenses		**(395,415)**	(581)
Other operating income		**18,643**	-
Operating loss		**(376,772)**	(581)
Other interest receivable and similar income		**223**	-
Interest payable and similar charges	*5*	**(11,429)**	-
Loss on ordinary activities before taxation	*2-4*	**(387,978)**	(581)
Tax on loss on ordinary activities	*6*	**-**	-
Loss for the financial year		**(387,978)**	(581)
Retained loss brought forward		**(6,224)**	(5,643)
Retained loss carried forward		**(394,202)**	(6,224)

There were no recognised gains or losses other than the loss for the year.

All results derive from the continuing operations of the company.

Balance sheet

at 30 June 2002

	Note	2002		2001	
		£	£	£	£
Current assets					
Stock	7	**435,204**		356,275	
Debtors	8	**3,578**		50	
Cash in hand		**32,506**		2,105	
		471,288		358,430	
Creditors: amounts falling due within one year	9	**(465,440)**		(364,604)	
Net current assets/(liabilities)			**5,848**		(6,174)
Creditors: amounts falling due after more than one year	10		**(400,000)**		-
Net liabilities			**(394,152)**		(6,174)
Capital and reserves					
Called up equity share capital	12		**50**		50
Profit and loss account			**(394,202)**		(6,224)
Shareholders' deficit - equity	13		**(394,152)**		(6,174)

These financial statements were approved by the board of directors on 24 January 2003 and were signed on its behalf by:

PM Pearce
Director

DG Burt
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements, except as noted below. The company has adopted FRS 18 'Accounting policies' and FRS 19 'Deferred tax' in these financial statements, these changes have not had any impact on the comparative figures.

Basis of preparation

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

These accounts have been prepared on a going concern basis which assumes the company will continue to trade. The basis of this assumption depends on the financial support of Kimberley Securities Plc and Speyridge Limited who are the company's shareholders. The shareholders have indicated that they will continue to provide support for the foreseeable future.

If the company were not able to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing financial statements with the Registrar of Companies.

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Loss on ordinary activities before taxation

	2002	2001
	£	£
Loss on ordinary activities before taxation is stated		
after charging		
Auditors remuneration	**600**	550

Notes *(continued)*

3 Remuneration of directors

No remuneration was paid to the directors during the current or preceding year.

4 Staff numbers and costs

No staff costs were incurred during the year.

The average number of persons employed by the company during the year, was as follows:

	Number of employees	
	2002	2001
Directors	**5**	5

5 Interest payable and similar charges

	2002	2001
	£	£
On bank loans	**11,429**	-

6 Taxation

Analysis of charge in period

	2002	2001
	£	£
UK corporation tax		
Tax on loss on ordinary activities	**-**	-

Notes *(continued)*

6 Taxation *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2001: higher) than the standard rate of corporation tax in the UK (20%, 2001: 20%). The differences are explained below.

	2002 £	2001 £
Current tax reconciliation		
Loss on ordinary activities before tax	**(387,978)**	(581)
Current tax at 19.75% (2001: 20%)	**(76,626)**	(116)
Effects of:		
Expenses not deductible for tax purposes	**20**	-
Utilised by related undertaking	**38,313**	-
Tax losses available to carry forward	**38,293**	116
Total current tax charge (see above)	**-**	-

Factors that may affect future tax charges

The company has unrelieved corporation tax losses of approximately £193,000 *(2001: £nil).*

7 Stock

	2002 £	2001 £
Freehold land	**435,204**	208,704
Development costs	**-**	147,571
	435,204	356,275

8 Debtors

	2002 £	2001 £
Trade debtors	**3,525**	-
Called up share capital not paid	**50**	50
Other debtors	**3**	-
	3,578	50

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to related undertakings	**446,984**	364,054
Taxation and social security	**1,050**	-
Accruals and deferred income	**17,406**	550
	465,440	364,604

10 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Bank loan	**400,000**	-

Analysis of debt:

	2002 £	2001 £
Debt can be analysed as falling due:		
Between one and two years	**400,000**	-

An 18 month term loan of £400,000 was drawn down on 17 January 2002. Interest on the loan is 3% above the HSBC bank base rate.

The loan is secured by a first legal charge over the company's assets.

11 Provisions for liabilities and charges

The company has an unprovided deferred tax asset of approximately £36,000 *(2001: £nil)* in respect of unutilised tax losses. The directors have not recognised this asset as they consider that it would be imprudent to do so.

Notes *(continued)*

12 Called up equity share capital

	2002 £	2001 £
Authorised		
Ordinary shares of £1 each	**3,000,000**	3,000,000
Allotted, and called up		
Ordinary shares of £1 each	**50**	50

13 Reconciliation of movements in shareholders' deficit

	2002 £	2001 £
Shareholders' deficit at beginning of year	**(6,174)**	(5,593)
Loss for financial year	**(387,978)**	(581)
Shareholders' deficit at end of year	**(394,152)**	(6,174)

14 Related party disclosures

The company had the following balances payable to associated companies qualifying as related parties as defined by Financial Reporting Standard 8.

	2002 £	2001 £
Associated company		
Kimberley (Glasgow) Limited	251,305	209,515
Speyridge Limited	195,679	154,539

These balances represent unsecured, interest free, loans which are repayable on demand.

15 Ultimate parent company

North Limited is a joint venture owned equally by Kimberley (Glasgow) Limited and Speyridge Limited. The financial statements of these companies are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF4 3UZ.