

MANORDALE DEVELOPMENTS LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

COMPANY NUMBER 1120774

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MANORDALE DEVELOPMENTS LIMITED
COMPANY INFORMATION

Directors

L. J. Connor, B.A. (Chairman)
J. M. Connor

Secretary

B. Peveley

Registered Office

Bowkers Green Court,
Bowkers Green,
Aughton,
Lancashire, L39 6TA.

Auditors

Abel,
Southern House,
Anthony's Way,
Rochester,
Kent ME2 4DN.

Bankers

Barclays Bank plc
National Westminster Bank plc

MANORDALE DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES

The principal activities of the company are the rental of investment properties. During the year the company has sold its investment properties.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were :

L. J. Connor, B.A.
J. M. Connor

None of the directors who held office at 31 December 2003 had a beneficial interest in the share capital of the company or the ultimate parent undertaking, Connor Finance Corporation Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial period 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;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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

Approved by the Board of Directors and signed on their behalf


L. J. Connor

Director

14 July 2004

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

MANORDALE DEVELOPMENTS LIMITED

We have audited the financial statements of Manordale Developments Limited for the year ended 31 December 2003 which are set out on pages 5 to 7. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications of our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit 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 the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Abel
ABEL

Chartered Accountants
and Registered Auditor

19 July 2004

Southern House
Anthony's Way
Rochester
Kent ME2 4DN

MANORDALE DEVELOPMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	note	2003 £	2002 £
TURNOVER		9,445	38,397
Cost of sales		(8,757)	(6,188)
GROSS (LOSS)/PROFIT		688	32,209
Other operating income		41,356	-
Administrative expenses		(1,134)	(1,665)
OPERATING (LOSS)/PROFIT	2	40,910	30,544
Interest receivable and similar income		2,433	58
Interest payable and similar charges		(4,245)	(9,965)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,098	20,637
Taxation		(4,440)	(3,972)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		34,658	16,665
Balance brought forward		84,950	68,285
BALANCE CARRIED FORWARD		<u>119,608</u>	<u>84,950</u>

MANORDALE DEVELOPMENTS LIMITED
BALANCE SHEET
AT 31 DECEMBER 2003

	note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	3		-		28,350
CURRENT ASSETS					
Tangible assets		-		284,360	
Debtors	4	160,184		2,695	
Cash at bank and in hand		15,664		23,792	
		<u>175,848</u>		<u>310,847</u>	
CREDITORS: Amounts falling due within one year	5	<u>(6,240)</u>		<u>(188,997)</u>	
NET CURRENT ASSETS			169,608		121,850
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>169,608</u>		<u>150,200</u>
CREDITORS: Amounts falling due after more than one year	6		-		(15,250)
			<u>169,608</u>		<u>134,950</u>
CAPITAL AND RESERVES					
Called up share capital	7		50,000		50,000
Profit and loss account			119,608		84,950
			<u>169,608</u>		<u>134,950</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the board of directors on 14 JULY 2004


L. J. Connor

Director

MANORDALE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

(a) Accounting basis and standards

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold investment properties, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

Turnover represents the aggregate rentals receivable.

(c) Tangible fixed assets

Land and buildings represent freehold investment properties. Investment properties are revalued periodically and the surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties; this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Assets sold since the year end are treated as current assets and shown at the lower of cost and net realisable value.

(d) Taxation

Corporation tax is provided on taxable profits at the current tax rate. Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected to reverse.

2. OPERATING PROFIT

The operating profit is stated after charging auditors remuneration of £1,000 (2002 : £750).

3. TANGIBLE FIXED ASSETS

	£
Cost	
- at 1 January 2003	312,710
- disposals	<u>(312,710)</u>
- at 31 December 2003	<u><u>-</u></u>

Fixed assets represented freehold investment properties.

MANORDALE DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

4. DEBTORS

	2003 £	2002 £
Trade debtors	-	2,695
Amounts owed by parent undertaking	160,184	-
	<u>160,184</u>	<u>2,695</u>

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	-	178,410
Amounts owed to parent undertaking	-	4,815
Corporation tax	4,440	3,972
Other creditors	1,800	1,800
	<u>6,240</u>	<u>188,997</u>

The bank loans and overdrafts were secured by a charge over the fixed assets.

6. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	<u>-</u>	<u>15,250</u>
Amounts payable by instalments due after five years	<u>-</u>	<u>13,142</u>

The bank loans and overdrafts were secured by a charge over the fixed assets.

7. SHARE CAPITAL

	2003 £	2002 £
Ordinary shares of £1 each		
- authorised	200,000	200,000
- allotted, called up and fully paid	<u>50,000</u>	<u>50,000</u>

8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Connor Finance Corporation Limited is the ultimate parent undertaking. The controlling entity is the trustees of the W.J.Connor 1967 Settlement.