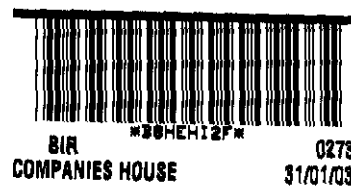


Manorlease Limited
Annual report and accounts
for the year ended 31 March 2002

Registered Number 3493409



Manorlease Limited
Annual report and accounts
for the year ended 31 March 2002

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Manorlease Limited

Report of the Director for the year ended 31 March 2002

The director submits his report and the audited accounts of the company for the year ended 31 March 2002.

Principal activity and business review

The principal activity of the company is that of a property holding company.

Directors

The director of the company who held office during the year is Jonathan Hall.

Directors responsibilities

Company law requires the directors to prepare accounts 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 the year. In preparing those accounts, the directors are required to:

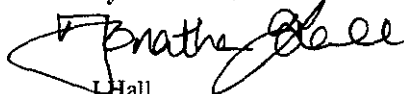
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

Auditors

PricewaterhouseCoopers have informed the Board that they transferred their business to a limited liability partnership, PricewaterhouseCoopers LLP, on 1 January 2003. Accordingly, PricewaterhouseCoopers are not offering themselves for reappointment and a resolution to appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board



J Hall
Director

24 January 2003

Manorlease Limited

Independent auditors' report to the members of Manorlease Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

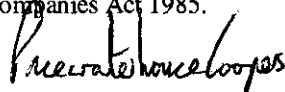
Basis of audit opinion

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 at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Nottingham

24 January 2003

Manorlease Limited

Profit and loss account for the year ended 31 March 2002

	Notes	2002 £	2001 £
Revenue sources and charges			
Rental income		-	5,414
Operating charges		-	(1,979)
Administration expenses		(5,317)	(7,699)
Profit on disposal of fixed assets		-	256,980
Interest receivable - bank interest		94,977	56,743
Profit on ordinary activities before tax	3	89,660	309,459
Tax on profit on ordinary activities	4	65,033	(68,194)
Profit on ordinary activities after tax transferred to reserves	10	154,693	241,265

There are no recognised gains or losses other than the profit for the year shown above and all operations are continuing.

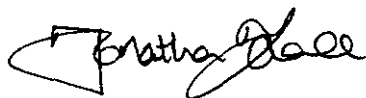
The notes on pages 5 to 8 form part of these accounts.

Manorlease Limited

Balance sheet as at 31 March 2002

	Notes	2002 £	2001 £
Current assets			
Debtors	5	21,195	945
Cash at bank and in hand		2,031,861	1,970,385
Creditors: amounts falling due within one year	6	(80,000)	(152,967)
Net current assets		<u>1,973,056</u>	<u>1,818,363</u>
Total assets less current liabilities		1,973,056	1,818,363
Creditors: amounts falling due after more than one year	7	(1,666,950)	(1,666,950)
Net assets		<u>306,106</u>	<u>151,413</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	306,104	151,411
Equity shareholders' funds	10	<u>306,106</u>	<u>151,413</u>

The financial statements were approved by the board on 24 January 2003



J Hall
Director

The notes on pages 5 to 8 form part of these accounts.

Manorlease Limited

Notes to the financial statements for the year ended 31 March 2002

1 Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

During the year, the Company adopted Financial Reporting Standard No.18 ("FRS 18") "Accounting Policies" which required a full review of the Company's accounting policies and estimation techniques (the latter being the methods by which accounting policies are implemented). This review was conducted in accordance with FRS 18, which requires that where a choice of treatment is available, the "most appropriate" accounting policies and estimation techniques shall be used. Implementation of the FRS has not resulted in any changes to the accounting policies and estimation techniques. Therefore, there has been no impact on the profit and loss account and no prior year adjustment. In order to provide information regarding significant estimation techniques, additional descriptions have been added to the accounting policies where appropriate.

Deferred taxation

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements that are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

The company has adopted FRS 19 'Deferred tax' with effect from 1 April 2001. As the adoption of FRS 19 did not give rise to any change in the deferred tax liability at 31 March 2001 or in the deferred tax movement for the year then ended, a prior year adjustment was not required.

Cash flow

The cash flows of the company are dealt with in the accounts of its ultimate parent and controlling party Nottingham Industrial Group Limited, which are publically available. The company is not therefore required to produce a cashflow statement in accordance with FRS 1 (revised).

2 Director's emoluments

The director did not receive any emoluments during the financial year.

Manorlease Limited

Notes to the financial statements for the year ended 31 March 2002 (continued)

3 Profit/(loss) on ordinary activities before taxation

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	1,000	1,000
- non audit services	2,050	6,000
	<u>2,050</u>	<u>6,000</u>

4 Taxation

	2002 £	2001 £
Corporation tax at 30% (2001: 30%)	-	76,697
Over provision in respect of prior years	(65,033)	(8,503)
	<u>(65,033)</u>	<u>68,194</u>

The tax assessed for the period is different to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	89,660	309,459
Multiplied by standard rate of corporation tax in the UK (30%)	26,898	92,838
Effects of:		
Adjustments in respect of previous periods	(65,033)	(8,503)
Group relief not paid	(26,898)	-
Other permanent differences	-	(16,141)
Tax charge for year	<u>(65,033)</u>	<u>68,194</u>

Manorlease Limited

Notes to the financial statements for the year ended 31 March 2002 (continued)

5 Debtors

	2002 £	2001 £
Other debtors	1,838	945
Corporation tax	19,357	-
	<u>21,195</u>	<u>945</u>

6 Creditors: amounts falling due within one year

	2002 £	2001 £
Corporation tax	-	69,467
Other creditors	80,000	83,500
	<u>80,000</u>	<u>152,967</u>

7 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Amounts owed to group undertakings	1,666,950	1,666,950
	<u>1,666,950</u>	<u>1,666,950</u>

8 Share capital

	Authorised £	Allotted, called up and fully paid	
		No.	£
At 31 March 2001 and 31 March 2002			
Ordinary shares of £1 each	1,000	2	2
	<u>1,000</u>	<u>2</u>	<u>2</u>

Manorlease Limited

Notes to the financial statements for the year ended 31 March 2002 (continued)

9 Profit and loss account

	£
At 1 April 2001	151,411
Retained profit	154,693
At 31 March 2002	<u>306,104</u>

10 Shareholders' funds

	2002 £	2001 £
Opening shareholders' funds	151,413	(89,852)
Profit/(loss) for the year	154,693	241,265
Closing shareholders' funds	<u>306,106</u>	<u>151,413</u>

11 Parent undertakings

The immediate parent undertaking is Forman Hardy Holdings Limited, the ultimate parent undertaking and controlling party is Nottingham Industrial Group Limited, incorporated in England and Wales. Consolidated group accounts are available from the registered office, 64 St James's Street, Nottingham, NG1 6FJ.