

CORUS HOLDINGS LIMITED
REPORT AND ACCOUNTS
FOR THE FINANCIAL YEAR
ENDING 28 DECEMBER 2002

Registered No. 29016



Report and Accounts for the year ended 28 December 2002

	Pages
Directors and advisers	2
Directors' report	3 - 4
Statement of directors' responsibilities	5
Valuation report	6
Report of the auditors	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 - 15

Corus Holdings Limited

Directors

Mr G H Craine
Mr R J Reeves
Mr N Chatterton
Mr R D Thomas

Secretary

Mrs A L Scandrett

Registered office

15 Atholl Crescent
Edinburgh
Scotland
EH3 8HK
Scotland

Corus Holdings Limited

Directors' Report for the year ending 28 December 2002

The directors present their report and the audited financial statements for the year ending 28 December 2002.

Principal activity, review of business and future developments

The principal activity of the Company is that of a property dealing and development Company.

No change in the Company's activities in the foreseeable future is envisaged.

Directors & directors' interests

The directors of the Company at 28 December 2002 and who held office during the year, are listed on page 2.

The interests of the directors in the ordinary shares of Corus Group plc, the Company's ultimate holding company, were:

	29 December 2001	Acquired	28 December 2002
	Number		Number
R D Thomas	30,361	2,898	33,259
G H Craine	441	2,898	3,339
R J Reeves	32,808	2,898	35,706
N Chatterton	441	2,898	3,339

The interest of the directors in options to subscribe for ordinary shares of Corus Group plc, the company's ultimate holding company were:

	29 December 2001	Granted	Lapsed/ Exercised	28 December 2002
	Number	Number	Number	Number
R D Thomas	187,361	-	-	187,361
G H Craine	261,053	-	-	261,053
R J Reeves	498,898	-	-	498,898
N Chatterton	145,050	-	-	145,050

The Company's Register of Directors' interests which is open to inspection contains full details of directors' shareholdings and options to subscribe.

The directors had no interest, as defined by the Companies Act 1985, in the shares of any other member of the group during the year covered by these financial statements.

Corus Holdings Limited

Directors' Report for the year ending 28 December 2002

Results and dividends

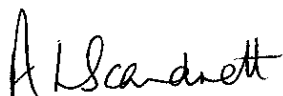
The profit for the year after taxation amounted to £725,000 (year ending 29 December 2001: £3,569,000).

The directors do not recommend the payment of a dividend (year ending 29 December 2001: £nil).

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 11 February 2003 and the directors appointed as its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



**A L Scandrett
Secretary**

31 October 2003

30 Millbank
London
SW1P 4WY

Corus Holdings Limited

Statement of Directors' Responsibilities in Relation to Financial Statements

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 7 is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period, and of the profit or loss of the Company for the period then ended.

The directors consider that in preparing the financial statements on pages 8 to 15 which have been prepared on a going concern basis, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which 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.

By order of the Board



A.L. Scandrett
Secretary

31 October 2003

Corus Holdings Limited

Valuation Report

To The Directors of Corus Holdings Limited

In accordance with your instructions we have reviewed, for the purposes of valuation, the properties owned by Corus Holdings Limited

In our opinion the aggregate open market value in the ordinary course of business of the properties held at 28 December 2002 is £1,209,401



N. Chatterton BSc FRICS



A. Pickford BSc ARICS

24th September 2003

Corus Holdings Limited

Independent auditors' report to the members of Corus Holdings Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and 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 report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 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 is not disclosed.

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

31 October 2003

Corus Holdings Limited

Profit and Loss Account for the year ending 28 December 2002

	Notes	Year ended 28 December 2002 £000	Year ended 29 December 2001 £000
Turnover		1,500	5,625
Operating costs	2	<u>(465)</u>	<u>(530)</u>
Operating profit		1,035	5,095
Interest payable	4	-	(1)
Interest receivable		<u>-</u>	<u>1</u>
Profit on ordinary activities before taxation		1,035	5,095
Taxation	5	<u>(310)</u>	<u>(1,526)</u>
Retained profit for the period	11	<u><u>725</u></u>	<u><u>3,569</u></u>

The Company has no gains or losses other than as above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained result for the period stated above, and the historical cost equivalents.

Turnover and operating profit derive entirely from continuing activities.

The notes on pages 10 to 15 form part of these accounts.

Corus Holdings Limited

Balance Sheet as at 28 December 2002

		28 December 2002 £000	29 December 2001 £000
	Notes		
Current assets			
Stock	6	184	649
Debtors	7	<u>10,037</u>	<u>9,247</u>
		10,221	9,896
Creditors: amounts falling due within one year	8	<u>(3,415)</u>	<u>(3,815)</u>
Net current assets		<u>6,806</u>	<u>6,081</u>
Total assets less current liabilities		<u>6,806</u>	<u>6,081</u>
		<u>6,806</u>	<u>6,081</u>
Capital and reserves			
Called up share capital	10	250	250
Profit and loss account	11	<u>6,556</u>	<u>5,831</u>
Shareholders' funds (equity interests)	12	<u>6,806</u>	<u>6,081</u>

The accounts on pages 8 to 15 were approved by the Board on 31 October 2003 and were signed on its behalf by:-

R J Reeves
Director



The notes on pages 10 to 15 form part of these accounts.

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

1. Principal accounting policies

The financial statements have been prepared in accordance with the Companies' Act 1985 and applicable Accounting Standards in the UK. The more important accounting policies, which have been applied consistently, are set out below.

i. Basis of accounting

The accounts are prepared in accordance with the historical cost convention.

ii. Turnover

Turnover represents the gross proceeds from the properties sold.

Acquisitions and disposals of properties are considered to have taken place where, by the end of the accounting period, there is a legally binding, unconditional and irrevocable contract.

In determining the profit or loss upon the disposal of property all costs of acquisition and development, less grants receivable and any amounts written off, are included in the cost of the property sold.

Where part of the property is sold the allocation of a proportion of the total cost of the whole property to the part being sold is made upon the most appropriate basis which will normally be on a pro rata basis by reference to the total cost of the whole property, or by estimating the actual costs of the part being sold where the unit cost of that area differs from the unit cost of other areas of the property.

iii Taxation

Corporation tax is provided on the profits for the year at the rate of taxation ruling during the year.

iv Cash Flow Statement

In accordance with the exemption allowed by paragraph 5(a) of Financial Reporting Standard 1 (revised 1996), a cash flow statement for the Company has not been provided.

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

v **Stock - Properties acquired for resale and development**

The properties and developments are valued at the lower of cost and net realisable value. Cost includes all direct costs of acquisition and development, but does not include interest. The net realisable value of properties is the open market value, based on a professional valuation by a Director of Corus Holdings Limited and a member of staff of Corus UK Limited which has been reviewed by all the Directors.

Where part of the property is sold the allocation of a proportion of the total cost of the whole property to the part being sold is made upon the most appropriate basis which will normally be on a pro rata basis by reference to the total cost of the whole property, or by estimating the actual costs of the part being sold where the unit cost of that area differs from the unit cost of other areas of the property.

vi. **Interest received**

Interest is earned on monies outstanding from the date of completion of certain sales and is accounted for as it is received.

vii. **Related Party Disclosures**

In accordance with the exemption allowed by paragraph 3(c) of Financial Reporting Standard 8, no disclosure is made of transactions with other member companies of the Corus Group or investees of the Group qualifying as related parties.

viii. **Deferred taxation**

An asset or provision is recognised for deferred tax arising from timing differences between the recognized gains and losses in the financial statements and their recognition in tax computations. The Company has chosen to discount deferred tax assets and liabilities.

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

2. Operating costs

	Year ended 28 December 2002 £000	Year ended 29 December 2001 £000
Cost of sales	465	508
Net rental income	-	(4)
Other operating charges	<u>-</u>	<u>26</u>
	<u>465</u>	<u>530</u>

The cost of sales figure for the year ended 29 December 2001 includes stock write down of £430,000.

Auditors' remuneration has been borne by Corus UK Limited. Auditors' remuneration for the year ending 29 December 2001: £2,000) is included in other operating charges.

3. Directors' emoluments and employees

The Company has no employees other than the directors.

No Director received any remuneration during the period in respect of their services to the company (year ending 29 December 2001: £nil)

4. Interest payable

	Year ended 28 December 2002 £000	Year ended 29 December 2001 £000
Other interest payable	<u>-</u>	<u>1</u>

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

5. Taxation

	Year ended 28 December 2002 £000	Year ended 29 December 2001 £000
Group relief in respect of current period	<u>310</u>	<u>1,526</u>
Current tax	<u>310</u>	<u>1,526</u>
The current tax credit reconciles with the standard rate of corporation tax as follows:		
Tax on result at standard rate 30%	310	1,528
Permanent differences	<u>-</u>	<u>(2)</u>
	<u>310</u>	<u>1,526</u>

6. Stock

	28 December 2002 £000	29 December 2001 £000
Properties held for resale	122	587
Development properties	<u>62</u>	<u>62</u>
	<u>184</u>	<u>649</u>

7. Debtors

	28 December 2002 £000	29 December 2001 £000
Amounts falling due within one year:		
Trade debtors	4	4
Other debtors	3	-
Amounts owed by parent undertaking	<u>10,030</u>	<u>9,243</u>
	<u>10,037</u>	<u>9,247</u>

The amounts falling due from the parent company are free of interest and no date has been fixed for the discharge of the debt.

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

8. Creditors amounts falling due within one year

	28 December 2002 £000	29 December 2001 £000
Trade creditors	101	101
Other creditors	198	908
Group relief payable	<u>3,116</u>	<u>2,806</u>
	<u>3,415</u>	<u>3,815</u>

9. Contingent liabilities

The sale agreement for the property sale made during the year includes a clause that prior to 21 March 2005 the Company could be required to repay up to £500,000 of the proceeds received dependent upon the value realised by the purchaser in any future sale up to that date. The directors' current best estimate is that there is unlikely to be any repayment and so no provision for repayment has been made in these accounts.

10. Called up share capital

	28 December 2002 £000	29 December 2001 £000
Authorised:		
500,000 ordinary shares of £1 each	<u>500</u>	<u>500</u>
Allotted and called up:		
499,998 ordinary shares of £1 each (50p paid)	<u>250</u>	<u>250</u>

Corus Holdings Limited

Notes to the accounts for the year ending 28 December 2002

11. Reserves	Profit and Loss Account £000
Balance at 29 December 2001	5,831
Profit retained for the period	<u>725</u>
Balance at 28 December 2002	<u>6,556</u>

12. Reconciliation of movement in shareholders' funds

	28 December 2002 £000	29 December 2001 £000
Opening shareholders' funds	6,081	2,512
Profit for the period	<u>725</u>	<u>3,569</u>
Closing shareholders' funds	<u>6,806</u>	<u>6,081</u>

13. Ultimate holding company

The Company is a subsidiary of Corus UK Limited which is registered in England and Wales and is the immediate parent company and smallest Group to consolidate these financial statements. The ultimate parent Company and ultimate controlling party is Corus Group plc which is the largest Group to consolidate these financial statements. Copies of Corus UK Limited's and Corus Group plc's report and accounts may be obtained from The Secretary, Corus Group plc, 30 Millbank, London, SW1P 4WY.