

**Company Registration No : 2157163**

**NHL CONSTRUCTION LIMITED**

**Report and Financial Statements**

**Year ended 30 September 2000**



## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year to 30 September 2000.

## ACTIVITIES AND FUTURE PROSPECTS

The principal activity of the company during the year was administration and collection of a portfolio of unsecured arrears loans acquired from a fellow subsidiary during the year.

The directors consider that the company has performed as well as they would have expected given the current economic climate. The directors consider that the company will continue to perform a key role in the group's operations.

## RESULTS

The results for the year are shown in the profit and loss account on page 5.

No interim dividend was paid during the year (1999: £nil). The directors do not propose the payment of a final dividend. The retained profit of £229,000 (1999: £nil) has been transferred to reserves.

## DIRECTORS

The directors throughout the year, unless otherwise noted, were :-

N Keen  
R D Shelton

N Keen is a director of the ultimate parent company. Accordingly his interests in the shares of group companies are disclosed in that company's directors' report.

R D Shelton is an employee of The Paragon Group of Companies PLC, and had beneficial interests in the ordinary share capital of that company under share option schemes as follows :

Director	Options at 30 September 1999	Options granted in the year	Options exercised in the year	Options lapsed / cancelled in the year	Options at 30 September 2000
R D Shelton	220,444	63,030	-	8,211	275,263

**DIRECTORS' REPORT (continued)**

**DIRECTORS (continued)**

No director had any interest in the shares of the company or of other group companies either during or after the end of the year.

No director had any interest either during or at the end of the year in any material contract or arrangement with the company. No director had a service contract with the company.

**CREDITOR PAYMENT POLICY**

The company agrees terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. The trade creditor days figure has not been stated as the measure is not appropriate to the business.

**AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



John Gemmell  
Secretary  
18 May 2001

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

*in relation to Financial Statements*

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The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year. As required, in the absence of any circumstances which would make it inappropriate, the financial statements have been prepared on a going concern basis.

The directors consider that in preparing the financial statements (on pages 5 to 8), 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 the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

**AUDITORS' REPORT  
TO THE MEMBERS OF NHL CONSTRUCTION LIMITED**

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 30 September 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and  
Registered Auditors  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN  
31 May 2001

**PROFIT AND LOSS ACCOUNT**

**Year ended 30 September 2000**

	<b>Note</b>	<b>2000 £'000</b>	<b>1999 £'000</b>
Other operating income	2	354	-
Operating expenses		(15)	-
Operating profit, being profit on ordinary activities before taxation		339	-
Taxation charge on profit on ordinary activities	4	(110)	-
Retained profit on ordinary activities after taxation	7	229	-

All material activities derive from continuing operations.

There are no movements in shareholders' funds or other recognised gains or losses other than the profit for the year.

# NHL CONSTRUCTION LIMITED

## BALANCE SHEET

30 September 2000

	Note	£'000	2000 £'000	£'000	1999 £'000
<b>ASSETS EMPLOYED</b>					
<b>CURRENT ASSETS</b>					
Debtors falling due within one year	5		<u>1,016</u>		<u>-</u>
<b>FINANCED BY</b>					
<b>EQUITY SHAREHOLDERS' FUNDS</b>					
Called up share capital	6	-		-	
Profit and loss account	7	<u>229</u>		<u>-</u>	
			229		-
<b>CREDITORS</b>					
Amounts falling due within one year	8		<u>787</u>		<u>-</u>
			<u>1,016</u>		<u>-</u>

These financial statements were approved by the Board of Directors on 18 May 2001.

Signed on behalf of the Board of Directors.



R D Shelton  
Director

NOTES TO THE ACCOUNTS

Year ended 30 September 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting Convention**

The financial statements are prepared under the historical cost convention.

**Transactions with other group companies**

The company has taken advantage of the exemption granted by Financial Reporting Standard 8 - 'Related Party Disclosures' and does not therefore provide details of transactions with other group companies.

2. OTHER OPERATING INCOME

Income is recognised on receipt from the borrowers. Other operating income also includes changes in the valuation of the loans held.

3. DIRECTORS AND EMPLOYEES

Neither of the directors received any remuneration from the company during the year.

There are no other employees.

4. TAXATION CHARGE

	2000 £'000	1999 £'000
U K corporation tax at 30% (1999 : 30.5%) based on the profit for the year:		
Current		
Corporation tax	(110)	-

5. DEBTORS

	£'000	£'000
Amounts falling due within one year :		
Other debtors	1,016	-



NOTES TO THE ACCOUNTS

Year ended 30 September 2000

6. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised :		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted :		
2 ordinary shares of £1 each (fully paid)	<u>2</u>	<u>2</u>

7. RESERVES

	Profit and Loss Account £'000
Balance at 1 October 1999	-
Retained profit for the year	<u>229</u>
Balance at 30 September 2000	<u>229</u>

8. CREDITORS

	2000 £'000	1999 £'000
Amounts falling due within one year :		
Amounts owed to group companies	677	-
Corporation tax	<u>110</u>	<u>-</u>
	<u>787</u>	<u>-</u>

9. ULTIMATE PARENT COMPANY

The company's ultimate parent company is The Paragon Group of Companies PLC, a company registered in England and Wales. Copies of the Group's financial statements are available from that company's registered office at St Catherine's Court, Herbert Road, Solihull, West Midlands, B91 3QE.