

Norton & Proffitt Developments Limited

Report and Financial Statements

30 November 2004

Registered Number 3717397



Directors' Report

The directors present their report and financial statements for the year ended 30 November 2004.

Results and Dividends

The retained profit of £ 9,163 (2003: £ 323,222) has been transferred to reserves.

The directors do not recommend the payment of a dividend for the year (2003: £nil).

Principal Activity

The principal activities of the Company are that of property investment and property development.

Review of the Business

The directors consider that the result and future prospects are satisfactory. No changes are envisaged.

Directors and their Interests

The following were directors of the company during the year, none of whom had any interest in the shares of the company:

G Barker

D C Goold

M W Goold

C C A Glossop

W A Oliver

D A West

The relevant interests of Messrs. Glossop and Oliver in the shares of the ultimate parent company are disclosed in the directors' report of that company. Messr. Barker had no interest in the shares of the ultimate parent company.

The interests of the remaining directors in the 10p Ordinary shares of the ultimate parent company are:

	2004		2003	
	Options	Shares	Options	Shares
D A West	336,674	147,027	407,592	147,027
M W Goold	-	9,000	-	9,000
D C Goold	-	1,000	-	1,000

Directors' Report (continued)

Auditors

Ernst & Young LLP have expressed a willingness to remain in office and a resolution to reappoint Ernst & Young LLP will be put forward at the Annual General Meeting.

By order of the board



T P Haywood
Secretary

Date

20/6/05

Statement of Directors' Responsibilities in Relation to the Financial Statements

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 period. 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; and
- 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.

Independent Auditors' Report to the Members of Norton & Proffitt Developments Limited

We have audited the company's financial statements for the year ended 30 November 2004 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 13. These financial statements have been prepared on the basis of 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 auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 affairs of the company as at 30 November 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Birmingham

Ernst & Young LLP

Date

7 July 2005

Norton & Proffitt Developments Limited

Profit and Loss Account

For the year ended 30 November

	Notes	2004 £	2003 £
Turnover	1	<u>562,729</u>	<u>863,139</u>
Operating profit	1	354,145	755,038
Net interest payable	3	(342,575)	(296,725)
Profit on ordinary activities before taxation	4	<u>11,570</u>	<u>458,313</u>
Taxation on profit on ordinary activities	5	(2,407)	(135,091)
Profit on ordinary activities after taxation		<u>9,163</u>	<u>323,222</u>

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit for the financial periods. Accordingly, no statement of total recognised gains and losses is given.

Balance Sheet

At 30 November

	Notes	2004 £	2003 £
Current assets			
Stocks	6	12,160,592	11,195,293
Debtors	7	45,358	9,135
Cash at bank and in hand		6,542	1,898
		<u>12,212,492</u>	<u>11,206,326</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(5,219,138)	(4,222,135)
Net current assets		<u>6,993,354</u>	<u>6,984,191</u>
Creditors: amounts falling due after more than one year	9	(6,160,000)	(6,160,000)
Net assets		<u>833,354</u>	<u>824,191</u>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account		823,354	814,191
Equity shareholders' funds		<u>833,354</u>	<u>824,191</u>

The Report and Accounts were approved by the Board of Directors on

Signed on behalf of the Board of Directors by

Director



Director



28/6/05

Cash Flow Statement

For the year ended 30 November

	Notes	2004 £	2003 £
Net cash inflow from operating activities	11(a)	<u>349,823</u>	<u>510,084</u>
Returns on investments and servicing of finance			
Interest received		70,749	42,642
Interest paid		(413,324)	(343,640)
Net cash outflow from returns on investment and servicing of finance		<u>(342,575)</u>	<u>(300,998)</u>
Taxation		<u>(2,604)</u>	<u>(209,427)</u>
Increase/(decrease) in cash in the year	11(b)	<u>4,644</u>	<u>(341)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/ (decrease) in cash		<u>4,644</u>	<u>(341)</u>
Change in net debt resulting from cash flows		4,644	(341)
Net debt at 1 December		<u>(6,158,102)</u>	<u>(6,157,761)</u>
Net debt at 30 November		<u>(6,153,458)</u>	<u>(6,158,102)</u>

Supplementary Statements

For the year ended 30 November

	2004	2003
	£	£
Reconciliation of Movements in Shareholders' Funds		
Profit attributable to shareholders	9,163	323,222
Net addition to shareholders' funds	<u>9,163</u>	<u>323,222</u>
Opening shareholders' funds	824,191	500,969
Closing shareholders' funds	<u>833,354</u>	<u>824,191</u>

Accounting Policies

The accounts and notes have been prepared in accordance with applicable accounting standards.

Accounting Convention

The accounts have been prepared under the historical cost convention.

Turnover and Profit Recognition

Turnover represents sales of development properties, rental income receivable in accordance with UITF28, and other recoveries. Profit on development properties is recognised on legal completion of sale.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value, less amounts invoiced on account.

Deferred Taxation

In accordance with FRS19, deferred taxation is provided at the rate ruling at the balance sheet date on timing differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes.

Interest

Interest incurred on properties in the course of development is charged to the profit and loss account.

1. Turnover and Profit Analysis

	Turnover £	2004 Cost of sales £	Profit £
Rental income	562,729	(174,024)	388,705
Property development	-	(29,394)	(29,394)
	<u>562,729</u>	<u>(203,418)</u>	<u>359,311</u>
Administrative and other operating expenses			(5,166)
Operating profit			<u>354,145</u>

	Turnover £	2003 Cost of sales £	Profit £
Rental income	853,639	(104,174)	749,465
Other activities	9,500	-	9,500
	<u>863,139</u>	<u>(104,174)</u>	<u>758,965</u>
Administrative and other operating expenses			(3,927)
Operating profit			<u>755,038</u>

2. Information Regarding Directors and Employees

None of the directors received any remuneration during the year (2003 – nil).

The group had no employees and is managed by its parent company, St Modwen Properites PLC.

3. Net interest payable

	2004 £	2003 £
Interest payable on bank and other loans and overdrafts	413,324	339,367
Interest receivable	(70,749)	(42,642)
Net interest	<u>342,575</u>	<u>296,725</u>

4. Profit on ordinary activities before taxation

	2004 £	2003 £
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration -		
- audit services	2,400	2,255
- taxation advice	2,272	1,672

5. Taxation on Profit on ordinary activities

	2004 £	2003 £
(a) Analysis of charge in period		
Current tax		
UK Corporation Tax on profits of the period	1,839	2,036
Group Relief Receivable	568	134,280
Adjustments in respect of previous periods	-	(1,225)
Total current tax (note (b))	<u>2,407</u>	<u>135,091</u>
	2004 £	2003 £
(b) Factors affecting tax charge for period		
Profit on ordinary activities before tax	<u>11,570</u>	<u>458,313</u>
Profit on ordinary activities at the standard rate of UK Corporation Tax	3,471	137,494
Other	(1,064)	(1,178)
Adjustments to tax charge in respect of previous periods	-	(1,225)
	<u>2,407</u>	<u>135,091</u>

Norton & Proffitt Developments Limited

6. Stocks

	2004 £	2003 £
Developments in progress	<u>12,160,592</u>	<u>11,195,293</u>

7. Debtors

	2004 £	2003 £
<i>Amounts falling due within one year</i>		
Trade debtors	-	9,041
Other debtors	45,358	94
	<u>45,358</u>	<u>9,135</u>

8. Creditors

	2004 £	2003 £
<i>Amounts falling due within one year</i>		
Trade creditors	3,486	-
Amounts due to parent company	5,173,354	4,013,106
Amounts due to associated company	9,001	62,531
Corporation tax	1,839	2,036
Other taxation and social security	-	25,851
Accruals and deferred income	30,046	118,611
Other creditors	1,412	-
	<u>5,219,138</u>	<u>4,222,135</u>

9. Creditors

	2004 £	2003 £
<i>Amounts falling due after more than one year</i>		
Bank and other loans	<u>6,160,000</u>	<u>6,160,000</u>

10. Called up share capital

	2004 £	2003 £
Authorised:		
Equity share capital 18,750,000 'A' Ordinary £1 shares:	18,750,000	18,750,000
Equity share capital 6,250,000 'B' Ordinary £1 shares:	6,250,000	6,250,000
	<u>25,000,000</u>	<u>25,000,000</u>
Allotted and fully paid:		
Equity share capital 7,500 'A' Ordinary £1 shares	7,500	7,500
Equity share capital 2,500 'B' Ordinary £1 shares	2,500	2,500
	<u>10,000</u>	<u>10,000</u>

The shares rank pari passu with each other for all rights.

11. Cash Flow Statement

(a) Reconciliation of operating profit to operating cash flows	2004 £	2003 £
Operating profit	354,145	755,038
(Increase)/decrease in debtors	(36,223)	927
Increase in stocks	(965,299)	(2,399,364)
Increase in creditors	997,200	2,153,483
Net cash inflow from operating activities	<u>349,823</u>	<u>510,084</u>
(b) Analysis of net debt		
	At 30 Nov 2003 £	Cash Flows £
Cash		At 30 Nov 2004 £
Cash at bank and in hand	1,898	6,542
Bank loan	(6,160,000)	(6,160,000)
	<u>(6,158,102)</u>	<u>4,644</u>
		<u>(6,153,458)</u>

12. Ultimate Parent Company

The ultimate parent company is St Modwen Properties PLC, a company registered in England & Wales. Copies of the Group report and accounts of St Modwen Properties PLC are available from the Registered Office at Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham B16 8PE.

13. Related Party Transactions

D C Goold, M W Goold and G Barker are directors of W A Goold (Estates) Limited.

W A Goold (Estates) Limited supplied the company with various property management services on arm's length commercial terms. The total amount of trading for the period was £22,134 (2003: £57,833) and there was £ 2,129 owing by the company at the balance sheet date (2003: £841).