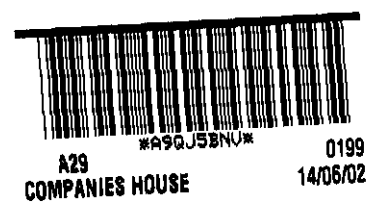


Norton & Proffitt Developments Limited

Report and Accounts

30 November 2001

Registered Number: 3717397



Norton & Proffitt Developments Limited

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 30 November 2001. The company has changed its accounting reference date to 30 November from 31 March and presents accounts for the 8 month period.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activities of the company are property investment and property development.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (12 months to 31 March 2001: £nil). Profit for the 8 months of £184,166 (12 months to 31 March 2001: profit of £47,337) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the period:

G Barker
D C Goold
W A Oliver
D A West

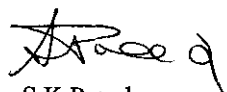
None of the directors in office at the period end had any interest in the share capital of the company. The relevant interests of the directors in the shares of the ultimate parent company, St Modwen Properties PLC, at 30 November 2001 are disclosed below:

	<i>10p ordinary shares</i>		<i>Options to subscribe for 10p ordinary shares</i>	
	<i>31 March 2001</i>	<i>30 November 2001</i>	<i>31 March 2001</i>	<i>30 November 2001</i>
G Barker	-	-	-	-
D C Goold	-	-	-	-
W A Oliver	-	-	200,000	376,304
D A West	114,102	128,940	332,925	318,087

AUDITORS

Ernst & Young LLP were appointed as auditors during the period. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



S K Preedy
Secretary

Date 21/05/02

Norton & Proffitt Developments Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTON & PROFFITT DEVELOPMENTS LIMITED

We have audited the company's financial statements for the period ended 30 November 2001 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Movements in Shareholder Funds and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

Date 11 June 2002

Norton & Proffitt Developments Limited

PROFIT AND LOSS ACCOUNT

for the period ended 30 November 2001

		8 Months ended 30 November 2001	12 Months ended 31 March 2001
	Notes	£	£
TURNOVER		476,638	179,135
Cost of sales		(9,381)	(17,731)
Gross profit		467,257	161,404
Administrative expenses		(1,189)	(5,798)
OPERATING PROFIT		466,068	155,606
Interest receivable		39,231	586
Interest payable	2	(242,204)	(87,855)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	263,095	68,337
Tax on profit on ordinary activities	4	(78,929)	(21,000)
RETAINED PROFIT FOR THE FINANCIAL PERIOD		184,166	47,337

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.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	8 Months ended 30 November 2001 £000	12 months ended 31 March 2001 £000
Profit for the financial period	184,166	47,337
Opening shareholders' funds	49,515	2,178
CLOSING SHAREHOLDERS' FUNDS	233,681	49,515

Norton & Proffitt Developments Limited

BALANCE SHEET at 30 November 2001

		30 November 2001	31 March 2001
	Notes	£	£
FIXED ASSETS			
Tangible assets	5	4,757,300	4,500,000
CURRENT ASSETS			
Stocks	6	3,584,261	3,490,086
Debtors	7	12,245	929,268
Cash at bank and in hand		6,953	95,253
		<u>3,603,459</u>	<u>4,514,607</u>
CREDITORS: amounts falling due within one year	8	(1,967,078)	(5,955,092)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,636,381</u>	<u>(1,440,485)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,393,681</u>	<u>3,059,515</u>
CREDITORS: amounts falling due after more than one year	9	(6,160,000)	(3,010,000)
NET ASSETS		<u>233,681</u>	<u>49,515</u>
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	223,681	39,515
		<u>233,681</u>	<u>49,515</u>

The financial statements were approved by the Board of Directors on

21st May 2002

Director

Director

Norton & Proffitt Developments Limited

NOTES TO THE ACCOUNTS

at 30 November 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Turnover

Turnover represents rentals and net service charge income receivable from tenants exclusive of value added tax and sales of development properties in the UK. Profit on development properties is recognised on sale.

Interest on borrowings

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

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficits transferred to the revaluation reserve if the revalued amount is in excess of cost or through the profit and loss account until the revalued amount is greater than cost. No depreciation is provided on investment properties. The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles as set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a fair view. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, and labour, net of any grants received and is after deduction of amounts invoiced on accounts.

Deferred taxation

In accordance with FRS 19, 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. Under this policy no provision has been made for the potential further liability to taxation which would arise in the event of the realisation of investment properties included at valuation in the accounts at the values attributed to them.

2. INTEREST PAYABLE

	<i>Period ended 30 November 2001 £</i>	<i>Year ended 31 March 2001 £</i>
Interest payable to shareholders	39,231	534
Bank loans and overdrafts	202,973	87,321
	<u>242,204</u>	<u>87,855</u>

Norton & Proffitt Developments Limited

NOTES TO THE ACCOUNTS

at 30 November 2001

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<i>Period ended 30 November 2001 £</i>	<i>Year ended 31 March 2001 £</i>
Is stated after charging:		
Auditors remuneration – audit services	1,000	500

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	<i>Period ended 30 November 2001 £</i>	<i>Year ended 31 March 2001 £</i>
Corporation tax at 30% based on the profit for the period	(78,929)	(21,000)
	<u>(78,929)</u>	<u>(21,000)</u>

(b) Factors affecting the tax charge for the period

	<i>Period ended 30 November 2001 £</i>	<i>Year ended 31 March 2001 £</i>
Profit on ordinary activities before tax	263,095	68,337
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (March 2001: 30%)	78,929	20,501
Effect of:		
Other adjustments	-	499
Current tax charge for the period	<u>78,929</u>	<u>21,000</u>

There is no unprovided deferred taxation (March 2001-£nil)

Norton & Proffitt Developments Limited

NOTES TO THE ACCOUNTS

at 30 November 2001

5. TANGIBLE FIXED ASSETS

	<i>Freehold investment properties £</i>
VALUATION	
At 1 April 2001	4,500,000
Additions	257,300
At 30 November 2001	4,757,300
Net book value	
At 30 November 2001	4,757,300
At 31 March 2001	4,500,000

Investment properties were valued at 30 November 2001 on the basis of open market value by the directors. At 30 November 2001, the cost to the company of freehold investment properties was £4,757,300 (March 2001: £4,500,000).

6. STOCKS

	<i>30 November 2001 £</i>	<i>31 March 2001 £</i>
Developments in progress	3,584,261	3,490,086

7. DEBTORS

	<i>30 November 2001 £</i>	<i>31 March 2001 £</i>
Amounts falling due within one year:		
Trade debtors	12,245	48,337
Other debtors	-	880,931
	12,245	929,268

8. CREDITORS: amounts falling due within one year

	<i>30 November 2001 £</i>	<i>31 March 2001 £</i>
Trade creditors	17,784	-
Amounts due to parent company	1,592,131	5,562,280
Amounts due to associated companies	92,790	122,945
Accruals and deferred income	128,737	247,019
Other creditors	35,707	1,848
Corporation tax	99,929	21,000
	1,967,078	5,955,092

Norton & Proffitt Developments Limited

NOTES TO THE ACCOUNTS

at 30 November 2001

9. CREDITORS: amounts falling due after more than one year

	30 November 2001	31 March 2001
	£	£
Bank loan	6,160,000	3,010,000
	<u>6,160,000</u>	<u>3,010,000</u>

The bank loan is secured by fixed charges over certain of the company's assets and is subject to interest based on LIBOR. The bank loan is repayable on 30th June 2006.

10. CALLED UP SHARE CAPITAL

	30 November 2001	31 March 2001
	£	£
Authorised		
18,750,000 'A' Ordinary shares of £1 each	18,750,000	18,750,000
6,250,000 'B' Ordinary shares of £1 each	6,250,000	6,250,000
	<u>25,000,000</u>	<u>25,000,000</u>
Called up, allotted and fully paid		
7,500 'A' Ordinary shares of £1 each	7,500	7,500
2,500 'B' Ordinary shares of £1 each	2,500	2,500
	<u>10,000</u>	<u>10,000</u>

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

11. PROFIT AND LOSS ACCOUNT

	£
At 1 April 2001	39,515
Profit for the period	184,166
	<u>223,681</u>
At 30 November 2001	

12. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS

The ultimate parent company is St Modwen Properties PLC, a company registered in England and 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.

Norton & Proffitt Developments Limited

NOTES TO THE ACCOUNTS

at 30 November 2001

13. RELATED PARTY TRANSACTIONS

D C 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 normal commercial terms. The total amount of trading for the period was £2,942 (March 2001: £9,479) and there was no amount owing to the company at the balance sheet date (March 2001: £Nil).