

NORFOLK PARK LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30th JUNE 2006

Company Registration Number 03867699

MONDAY



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NORFOLK PARK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2006

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NORFOLK PARK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

K D Shivers
M A Kemp
E J Lawrie
P A H Wallwork

Company secretary

J I Ashmore

Registered office

Rusint House
Harvest Crescent
Ancells Business Park
Fleet
Hampshire
GU51 2UG

Auditors

KPMG Audit Plc
Chartered Accountants
& Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

NORFOLK PARK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30th JUNE 2006

The directors present their report and the financial statements of the company for the year ended 30th June 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Norfolk Park Limited's principal activity is regeneration and new housing at Norfolk Park in Sheffield. The company is part of Gleeson Homes North, a housing and regeneration business of M J Gleeson Group plc

Gleeson Homes North operates predominantly in the North of England, from Liverpool to Sheffield. In the year, it consolidated its position as a leading developer in urban housing renewal. Over the next 10 years, it is set to build and sell more than 7,000 homes, substantially all of these as part of housing regeneration schemes, which tend to be of 5-15 years' duration. On most of these schemes, the Group works in close partnership with the local authority and with registered social landlords. Quality homes are built for sale and rent, taking into account neighbourhood solutions, landscaping works and parks, and commercial and community facilities. The Group utilises modern methods of construction, commits to training local labour and to using local suppliers, and operates profit-sharing partnerships. The Group is involved in the planning and development of these schemes from the start, helping to define and guide the process and, where possible, securing additional investment from commercial interests.

In Norfolk Park, Sheffield, the Group's new homes programme has helped confidence return to the community. The Directors are satisfied with the results for the year and expect the development to continue to make modest levels of profit in the future.

Key Performance Indicators

Turnover, operating profit and operating margin (defined as operating profit expressed as a percentage of turnover) are the key measure of financial performance in the company, and are as follows

	Year ended 30 June 2006	6 months to 30 June 2005
Turnover (£000's)	4,144	5,763
Operating Profit (£000's)	116	2,729
Operating Margin	2.8%	47.4%

In addition to these financial indicators the company monitors other key performance indicators that include health and safety and customer care.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £81,474. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company had no hedging arrangements at 30th June 2006, and no exposure to exchange risk since all purchases are contracted in sterling. Liquidity and cashflow risks are governed by the parent undertaking's requirements.

NORFOLK PARK LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30th JUNE 2006

DIRECTORS

The directors who served the company during the year were as follows

G N Adams
T W Massingham (Appointed 31st March 2006)
M A Kemp (Appointed 31st March 2006)
E J Lawrie (Appointed 28th April 2006)
P A H Wallwork (Appointed 28th April 2006)
P E Hilton (Resigned 31st March 2006)
D M Witney (Resigned 31st March 2006)
T W Massingham resigned as a director on 24th July 2006
G N Adams resigned as a director on 2nd March 2007
K D Shivers was appointed as a director on 1st March 2007

No director had an interest in the share capital of the company during the period

The interests of T W Massingham and P A H Wallwork in the shares of the ultimate parent company are disclosed in the directors' report of that company. The other directors who served during the period and their beneficial interests in the share capital of the parent company were as follows

	Ordinary shares of 2p	
	2006	2005
E J Lawrie	18,036	12,754
M A Kemp	2,522	1,507
G Adams	3,478	2,396
Share Options		
E J Lawrie	118,383	38,115
M A Kemp	1,038	nil
G Adams	675	675

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

A resolution to re-appoint KPMG Audit Plc as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Signed on behalf of the directors



M A Kemp
Director

Approved by the directors on 27-04-07

NORFOLK PARK LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30th JUNE 2006

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.

NORFOLK PARK LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORFOLK PARK LIMITED
YEAR ENDED 30th JUNE 2006

We have audited the financial statements of Norfolk Park Limited for the year ended 30th June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 auditor's 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 on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

NORFOLK PARK LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORFOLK PARK LIMITED *(continued)*

YEAR ENDED 30th JUNE 2006

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th June 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Rene Andrew Pe
KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 April 2007
London

NORFOLK PARK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30th JUNE 2006

		Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
	Note		
TURNOVER	2	4,143,531	5,763,066
Cost of sales		(4,025,934)	(3,020,273)
GROSS PROFIT		<u>117,597</u>	<u>2,742,793</u>
Administrative expenses		(2,600)	(13,354)
Other operating income	3	<u>731</u>	<u>—</u>
OPERATING PROFIT		<u>115,728</u>	<u>2,729,439</u>
Interest receivable	5	663	—
Interest payable and similar charges	6	—	(56,370)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>116,391</u>	<u>2,673,069</u>
Tax on profit on ordinary activities	7	(34,917)	638
PROFIT FOR THE FINANCIAL YEAR		<u><u>81,474</u></u>	<u><u>2,673,707</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

There was no material difference between the historical cost
profit and losses and those reported in the profit and loss account

The notes on pages 9 to 13 form part of these financial statements.


NORFOLK PARK LIMITED

BALANCE SHEET

30th JUNE 2006

	Note	2006 £	£	2005 £
CURRENT ASSETS				
Stocks	8	4,867,800		1,544,640
Debtors	9	637,214		187,569
Cash at bank		—		2,070,562
		<u>5,505,014</u>		<u>3,802,771</u>
CREDITORS: Amounts falling due within one year	10	<u>4,572,524</u>		<u>2,951,755</u>
NET CURRENT ASSETS			<u>932,490</u>	<u>851,016</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>932,490</u>	<u>851,016</u>
CAPITAL AND RESERVES				
Called-up equity share capital	13		2	2
Profit and loss account	14		<u>932,488</u>	<u>851,014</u>
SHAREHOLDERS' FUNDS	15		<u>932,490</u>	<u>851,016</u>

These financial statements were approved by the directors on the 27-04-07 and are signed on their behalf by


M A Kemp
Director

The notes on pages 9 to 13 form part of these financial statements.

NORFOLK PARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Cash flow statement

As the cashflow statement included in the consolidated accounts of the ultimate parent company complies with the conditions of FRS1 Cashflow Statements, the company is exempt from the requirements to prepare a separate cashflow statement

Turnover

Turnover comprises sales of private housing on legal completion and the value of contracting work executed during the year

Stock and work in progress

Land held for residential developments and related work in progress is stated at the lower of cost and net realisable value as estimated by the Directors

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

The tax charge is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided on timing differences at the average rate of corporation tax that is expected to apply in the periods in which the timing differences are expected to reverse.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
United Kingdom	<u>4,143,531</u>	<u>5,763,066</u>

NORFOLK PARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2006

3. OTHER OPERATING INCOME

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
Rent receivable	<u>731</u>	<u>-</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year

5. INTEREST RECEIVABLE

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
Bank interest receivable	<u>663</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
Interest payable on shareholder loans	<u>-</u>	<u>56,370</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
Current tax		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	-	(638)
Subvention payment	<u>34,917</u>	<u>-</u>
Total current tax	<u>34,917</u>	<u>(638)</u>

NORFOLK PARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2006

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
Profit on ordinary activities before taxation	<u>116,391</u>	<u>2,673,069</u>
Profit/(loss) on ordinary activities by rate of tax	34,917	801,921
Utilisation of tax losses	-	(802,559)
Group relief	(34,917)	-
Subvention payment	<u>34,917</u>	<u>-</u>
Total current tax (note 7(a))	<u>34,917</u>	<u>(638)</u>

The subvention payment represents amounts paid to fellow group undertakings in respect of group relief surrendered

8. STOCKS

	2006 £	2005 £
Work in progress	<u>4,867,800</u>	<u>1,544,640</u>

9. DEBTORS

	2006 £	2005 £
Amounts recoverable on contracts	604,697	-
Other debtors	<u>32,517</u>	<u>187,569</u>
	<u>637,214</u>	<u>187,569</u>

10. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Trade creditors	983,248	-
Amounts owed to group undertakings	3,214,094	2,398,268
Other taxation and social security	8,611	-
Other creditors	<u>366,571</u>	<u>553,487</u>
	<u>4,572,524</u>	<u>2,951,755</u>

NORFOLK PARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2006

11. CONTINGENT LIABILITIES

There are contingent liabilities in respect of actual and potential claims by third parties under contracting and other arrangements entered into during the normal course of business. Whilst the outcome of these matters is uncertain, the Directors believe that appropriate provision has been made within the accounts.

12. RELATED PARTY TRANSACTIONS

Control of the company vests with the parent undertaking.

Amounts due by or to group undertakings are aggregated as permitted by FRS 8 and shown in creditors (see note 10).

In accordance with FRS 8, "Related Party Transactions", the company has taken advantage of the exemption not to disclose transactions in the year between group undertakings where 90% or more of the voting rights are controlled within the group and the consolidated financial statements in which the results of Norfolk Park Limited are included, are publicly available.

13. SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
998 Ordinary shares of £1 each	998	998
1 Class 'A' shares of £1 each	1	1
1 Class 'B' shares of £1 each	1	1
	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

14. PROFIT AND LOSS ACCOUNT

	Year to 30 Jun 06	Period from 1 Jan 05 to 30 Jun 05
	£	£
Balance brought forward	851,014	(1,822,693)
Profit for the financial year	<u>81,474</u>	<u>2,673,707</u>
Balance carried forward	<u>932,488</u>	<u>851,014</u>

NORFOLK PARK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2006

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006	2005
	£	£
Profit for the financial year	81,474	2,673,707
Opening shareholders' funds/(deficit)	<u>851,016</u>	<u>(1,822,691)</u>
Closing shareholders' funds	<u>932,490</u>	<u>851,016</u>

16. ULTIMATE PARENT COMPANY

Norfolk Park Limited is a wholly owned subsidiary of M J Gleeson Group plc (registered in England and Wales), its ultimate parent company

A copy of the consolidated accounts of M J Gleeson Group plc may be obtained from the Company Secretary, Rusint House, Harvest Crescent, Ancells Business Park, Fleet, Hampshire GU51 2UG

NORFOLK PARK LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 30th JUNE 2006

**The following pages do not form part of the statutory financial statements
which are the subject of the Independent auditors' report on pages 5 to 6**

NORFOLK PARK LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30th JUNE 2006

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
TURNOVER	4,143,531	5,763,066
Purchases	<u>(4,025,934)</u>	<u>(3,020,273)</u>
GROSS PROFIT	<u>117,597</u>	<u>2,742,793</u>
OVERHEADS		
Administrative expenses	<u>(2,600)</u>	<u>(13,354)</u>
	114,997	2,729,439
OTHER OPERATING INCOME		
Rent receivable	<u>731</u>	<u>—</u>
OPERATING PROFIT	115,728	2,729,439
Bank interest receivable	<u>663</u>	<u>—</u>
	116,391	2,729,439
Interest payable on shareholder loans	<u>—</u>	<u>(56,370)</u>
PROFIT ON ORDINARY ACTIVITIES	<u>116,391</u>	<u>2,673,069</u>

NORFOLK PARK LIMITED
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30th JUNE 2006

	Year to 30 Jun 06 £	Period from 1 Jan 05 to 30 Jun 05 £
ADMINISTRATIVE EXPENSES		
General expenses	100	13,354
Sundry expenses	2,500	—
Accountancy fees	<u>2,600</u>	<u>13,354</u>
	<u>2,600</u>	<u>13,354</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>663</u>	<u>—</u>