



PACEMAKER DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 FEBRUARY 2000

Company Registration Number: 680921

PACEMAKER DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

INDEX	PAGE
Report of the directors	1
Statement of directors' responsibilities	2
Report of the auditors	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 7

PACEMAKER DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 29 February 2000.

Principal activities

The principal activity of the company is that of property development.

The directors anticipate no significant change in the level of trading during the ensuing year.

Results

The profit for the year after taxation amounted to £850 (1999: £31,212). The directors do not recommend the payment of a dividend (1999: £nil) leaving £850 retained.

Directors

The Directors in office during the year were as follows:

R Templeman

G S Hannah (resigned 29 February 2000)

S D Mantell (appointed 29 February 2000)

None of the directors had any interest in the shares of the company at 29 February 2000 or at any other date during the year.

The interests of directors who are also directors of the ultimate parent undertaking, Prowting Plc, are shown in that company's financial statements.

Year 2000

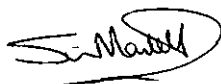
A Year 2000 programme was established to identify the effect that the Year 2000 will have on the company's computer systems, services and products. No difficulties have been experienced to date. The issue is complex, and no business can guarantee that there will be no residual Year 2000 problems. However the Board believes that its plans and the resources allocated were appropriate and adequate to address the issue.

Auditors

During the year Grant Thornton, the auditors of the company, resigned and KPMG Audit Plc appointed.

KPMG Audit Plc offer themselves for appointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



28 APR 2000

Secretary
Frays Court, 71 Cowley Road
Uxbridge, Middlesex UB8 2AE

DIRECTORS' RESPONSIBILITIES FOR 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 financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS, KPMG AUDIT PLC, TO THE MEMBERS OF
PACEMAKER DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

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 as at 29 February 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

**KPMG AUDIT PLC
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON**

28 April 2000

PACEMAKER DEVELOPMENTS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 29 FEBRUARY 2000

	Notes	2000 £	1999 £
Administrative expenses and profit on ordinary activities before taxation		0	45,235
Tax on profit on ordinary activities	3	<u>850</u>	<u>(14,023)</u>
Retained profit/(loss) for the financial year		<u><u>850</u></u>	<u><u>31,212</u></u>

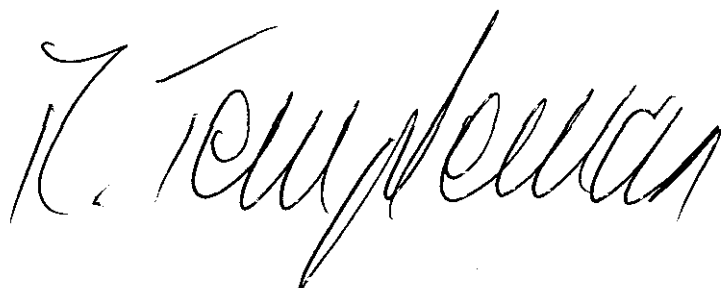
There were no recognised gains or losses other than the profit for the year.

PACEMAKER DEVELOPMENTS LIMITED
BALANCE SHEET
AS AT 29 FEBRUARY 2000

	Notes	2000 £	1999 £
Current assets			
Debtors	4	80,138	81,923
Creditors: amounts falling due within one year	5	(11,388)	(14,023)
Total assets less current liabilities		<u>68,750</u>	<u>67,900</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account	7	<u>68,650</u>	<u>67,800</u>
Shareholders' funds	8	<u>68,750</u>	<u>67,900</u>

The financial statements were approved by the Board of Directors on 28 APRIL 2000.

Director



The accompanying accounting policies and notes form an integral part of these financial statements.

PACEMAKER DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. This remains unchanged from the previous year.

2 DIRECTORS AND EMPLOYEES

There were no employees during the year (1999:nil) other than the directors, to whom no emoluments were paid or payable (1999:£nil).

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents:

	2000 £	1999 £
UK Corporation tax at 30% (1999: 31%)	0	14,023
Adjustment in respect of prior years	(850)	0
	<u>(850)</u>	<u>14,023</u>

4 DEBTORS

	2000 £	1999 £
Amounts falling due within one year:		
Amounts owed by parent and fellow subsidiary undertakings	80,138	81,923
	<u>80,138</u>	<u>81,923</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to parent and fellow subsidiary undertakings	11,388	0
Corporation tax	0	14,023
	<u>11,388</u>	<u>14,023</u>

6 SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

PACEMAKER DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2000

7 PROFIT AND LOSS ACCOUNT

	£
At 1 March 1999	67,800
Profit for the year	850
At 29 February 2000	<u>68,650</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	850	31,212
Net increase in shareholders' funds	<u>850</u>	<u>31,212</u>
Shareholders' funds at 1 March 1999	67,900	36,688
Shareholders' funds at 29 February 2000	<u>68,750</u>	<u>67,900</u>

9 CONTINGENT LIABILITIES

At 29 February 2000 and 28 February 1999, the company had a contingent liability in respect of an unlimited guarantee securing certain bank advances to group undertakings.

10 CASHFLOW STATEMENT

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A cash flow statement is prepared by the ultimate holding company, disclosed in note 11.

11 ULTIMATE HOLDING COMPANY

The ultimate holding company is Prowting PLC which is registered in England and Wales. Copies of the accounts of Prowting PLC may be obtained from Frays Court, 71 Cowley Road, Uxbridge, Middlesex.