



PACEMAKER DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2001

Company Registration Number: 680921

PACEMAKER DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2001

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PACEMAKER DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS

The Directors present their report together with financial statements for the year ended 28 February 2001.

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 £nil (2000: £850). The directors do not recommend the payment of a dividend (2000: £nil) leaving £nil retained.

Directors

The Directors in office during the year were as follows:

R Templeman
S D Mantell
S J Rosier (appointed 1 March 2001)
N J Borrell (appointed 1 March 2001)
R N Holmes (appointed 1 March 2001)

None of the directors had any interest in the shares of the company at 28 February 2001 or at any other date during the year.

The interests of the directors in the Executive Share Option Schemes of the ultimate parent undertaking, Prowting PLC are as follows:

	Number of shares at 1 March 2000 and 28 February 2001	Date of grant	Exercise price
S D Mantell	20,000	6 June 1999	117p

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

Other than stated above no director has any interest in either the ordinary or the preference shares of the ultimate parent undertaking, Prowting PLC.

PACEMAKER DEVELOPMENTS LIMITED
REPORT OF THE DIRECTORS

Auditors

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

BY ORDER OF THE BOARD



9.11.01

S D Mantell
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 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 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.

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

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, 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 28 February 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

**KPMG AUDIT PLC
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
8 SALISBURY SQUARE
LONDON
EC4Y 8BB**

9 November 2001

PACEMAKER DEVELOPMENTS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2001

	Notes	2001 £	2000 £
Administrative expenses and profit on ordinary activities before taxation		0	0
Tax on profit on ordinary activities	2	0	850
Profit for the financial year		<u>0</u>	<u>850</u>

All turnover and operating profits are derived from continuing operations in both the current and previous years. There were no recognised gains or losses other than the profit for the year.

PACEMAKER DEVELOPMENTS LIMITED
BALANCE SHEET
AS AT 28 FEBRUARY 2001

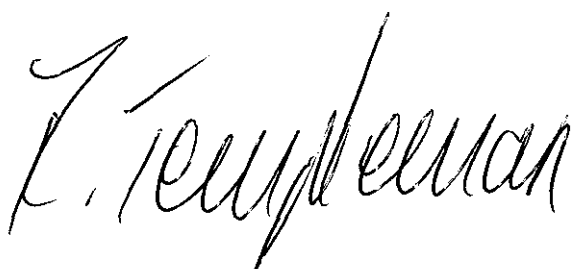
	Notes	2001 £	2000 £
Current assets			
Debtors	3	80,138	80,138
Stocks	4	<u>5,440,791</u>	<u>0</u>
		5,520,929	80,138
Creditors: amounts falling due within one year	5	(5,452,179)	(11,388)
Net assets		<u>68,750</u>	<u>68,750</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account	7	<u>68,650</u>	<u>68,650</u>
Equity shareholders' funds	8	<u>68,750</u>	<u>68,750</u>

9 NOVEMBER 2001

The financial statements were approved by the Board of Directors on its behalf by:

and were signed on

R Templeman
 Director



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

PACEMAKER DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

STOCKS

Stocks represent land in the course of development plus construction costs, costs arising thereon and land held for future development and part exchange properties. Stocks are stated at the lower of cost, including attributable overheads and net realisable value.

DEFERRED TAXATION

Deferred taxation is provided where, in the opinion of the Directors, there is a reasonable probability that it may be payable in the foreseeable future.

PACEMAKER DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2001

1 DIRECTORS AND EMPLOYEES

There were no employees during the year (2000:nil) other than the directors, to whom no emoluments were paid or payable (2000:£nil).

2 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2001 £	2000 £
Adjustment in respect of prior years	0	(850)

3 DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	80,138	80,138

4 STOCKS

	2001 £	2000 £
Land	5,288,530	0
Development & construction costs	152,261	0
	5,440,791	0

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Amounts owed to group undertakings	5,452,179	11,388

6 SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

PACEMAKER DEVELOPMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2001

7 PROFIT AND LOSS ACCOUNT

	£
At 1 March 2000	68,650
Profit for the financial year	0
At 28 February 2001	<u>68,650</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	0	850
Net increase in shareholders' funds	0	850
Shareholders' funds at 1 March 2000	68,750	67,900
Shareholders' funds at 28 February 2001	<u>68,750</u>	<u>68,750</u>

9 CONTINGENT LIABILITIES

At 28 February 2001 and 29 February 2000, 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 12.

11 RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with other group companies.

12 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.