
LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Company Registration No. 1786699

REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003



LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Report and Financial Statements For the year ended 31 December 2003

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LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Company Information

Directors

J M Bishop
R E Codling
I S Davenport
P A Hulme (Resigned 31.12.03)
N Kurabasa (Resigned 31.12.03)
P N Wheeler (Resigned 31.12.03)
D k Mulligan (Appointed 1.4.04)

Joint Secretaries

W R Johnston (Alternate Director to R E Codling)
C Sheridan

Registered Office

77 Newman Street
London
W1T 3EW
Tel: 020 7307 9230
Fax: 020 7307 9202

Solicitors

Charles Russell
8-10 New Fetter Lane
London
EC4A 1RS

Principal Bankers

Lloyds TSB Bank Plc
11-15 Monument Street
London
EC3V 9JA

LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Directors' Report

For the year ended 31 December 2003

The Directors present their annual report and the financial statements for the year ended 31 December 2003.

Principal activity and review of developments

The Company has been dormant since 16 June 1999 when all trading assets were transferred to Lovell Partnerships Limited and there is no present intention to recommence trading.

Dividends

No final dividend is proposed (2002: £nil).

Directors and their interests

The directors who served during the year are shown on page 1.

The directors have no interests in the shares of the Company.

Mr J M Bishop and Mr D K Mulligan are also directors of Morgan Sindall plc. Mr J M Bishop interest in the shares of Morgan Sindall plc are disclosed in that Company's accounts. Mr D K Mulligan has a beneficial interest in 1,250 shares of Morgan Sindall Plc. The interests of the remaining directors in the shares of the parent company Morgan Sindall plc were as follows;

Mr W R Johnston had a beneficial interest in 7,184 shares in Morgan Sindall plc.

Morgan Sindall plc has two share option schemes, the 1988 Executive Share Option Scheme approved on 21 January 1988 ("the 1988 Scheme") and the 1995 Executive Share Option Scheme adopted by that company on 24 May 1995 ("the 1995 Scheme")

Director	1988 Scheme	1995 Scheme
R E Codling	-	1) 25,000 2) 5,000

Notes :

1995 Scheme

- 1) Granted 29 October 2002. Exercise price 270p. Exercisable between 29 October 2007 and 28 October 2009.
- 2) Granted 25 February 2004. Exercise price 420p. Exercisable between 25 February 2009 and 24 February 2011.

I S Davenport has an interest in 59,709 shares in Morgan Sindall plc, which have been conditionally awarded to him as defined in the Morgan Sindall plc Long Term Incentive Plan rules in 2001, 2002 and 2003. On 30 June 2003 I S Davenport was allocated no ordinary shares in Morgan Sindall plc from the 14,308 ordinary shares conditionally awarded to him in 2000 under the rules of the Long Term Incentive Plan. The interest in the 14,308 shares in the 2000 conditional award has lapsed. The Remuneration Committee will meet after the date of this report to review allocation of those shares conditionally awarded for 2001.

LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Lovell Partnerships (Northern) Limited has adopted new Articles of Association, the provisions of which do not require the Directors to retire by rotation or to retire at the first Annual General Meeting after their appointment.

Directors' Report (Continued)

For the year ended 31 December 2003

Statement of Director's responsibilities

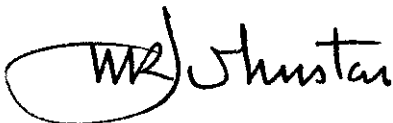
Company Law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the 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 its 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.

The Directors are responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



W R Johnston
Company Secretary
9 June 2004

LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Balance Sheet As at 31 December 2003


	Notes	31 December 2003 £000	31 December 2002 £000
Current Assets			
Debtors	1	165	165
Net assets		<u>165</u>	<u>165</u>
Capital and Reserves			
Called up share capital	2	6,000	6,000
Profit and loss account		<u>(5,835)</u>	<u>(5,835)</u>
Equity Shareholders' Funds		<u>165</u>	<u>165</u>

The annual accounts have not been audited because the company is entitled to the exemption provided by section 249AA(1) of the Companies Act 1985 relating to dormant companies and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 9 June 2004.

Signed on behalf of the Board of Directors.


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D K Mulligan, Director

LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Principal Accounting Policies **For the year ended 31 December 2003**

Basis of accounting

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

Profit and loss account

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholders' funds during the year under review or the preceding financial year.

Cash flow statement

A cash flow statement has not been produced as the Company's ultimate parent undertaking, Morgan Sindall plc, publishes a consolidated cash flow statement.

LOVELL PARTNERSHIPS (NORTHERN) LIMITED

Notes to the Financial Statements For the year ended 31 December 2003

1. Debtors

	31 December 2003 £000	31 December 2002 £000
Amounts owed by group undertakings	165	165
	<u>165</u>	<u>165</u>

2. Called up Share Capital

	31 December 2003 £000	31 December 2002 £000
Authorised		
Ordinary shares of £1 each	6,000	6,000
	<u>6,000</u>	<u>6,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	6,000	6,000
	<u>6,000</u>	<u>6,000</u>

3. Ultimate parent company

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Morgan Sindall plc, which is incorporated in the United Kingdom. Copies of the group financial statements of this company may be obtained from 77 Newman Street, London, W1T 3EW.

The largest group of undertakings for which group financial statements have been drawn up is that headed by Morgan Sindall plc.

4. Related party transactions

In the ordinary course of business, the company has previously traded with its ultimate parent company Morgan Sindall plc, a company registered in England and Wales, together with its subsidiaries. The company is exempt from disclosing details of the transactions because copies of Morgan Sindall plc group financial statements are available from 77 Newman Street, London, W1T 3EW.

The immediate controlling party of this company is Morgan Sindall plc. The cost of the annual return fee was borne by the company's parent company without any right of reimbursement.