



St. MODWEN PROPERTIES PLC

St. Modwen is a property investment and development company.

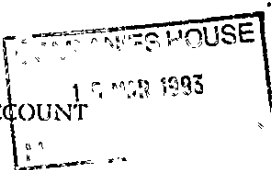
Its strategy is to increase its rental income stream and undertake selective developments of quality, thereby providing shareholders with security of income and a strong asset base.

St. Modwen has its headquarters in Birmingham and its regional offices are located in London, Stoke, Warrington and Worcester.

	1992	1991
Profit on Ordinary Activities before Taxation	£1.71m	£2.11m
Earnings per Ordinary Share	1.1p	1.7p
Net Assets per Ordinary Share	35p	38p
Dividend per Ordinary Share	0.6p	0.55p
Annual Rent Roll	£7.5m	£6.9m

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CHAIRMAN'S STATEMENT

As I forecast in my statement last year the property market continues to be very difficult. Nevertheless, your company's strategy is positive and clear, that is, to increase its rent roll, undertake developments where the profit is secure, and obtain long-term agreements for the future development of land.

Your company continues to trade profitably, with profits before tax of £1.7m (£2.1m). This is after taking account of specific provisions totalling £1.2m (£0.9m) against the company's historic development work in progress. Once again, no interest was capitalised. Net assets per share were reduced by 9% following the valuation of investment properties by King Sturge & Co, and Jones Lang Wootton, Chartered Surveyors, in line with the board's policy of obtaining external valuations annually.

The results further emphasise the company's policy of improving the quality of its earnings. I am able to report that before the year-end our rent roll reached a level at which it exceeds total group interest and overheads. Management action has led to a 20% reduction in overheads during the period.

Accordingly, as a reflection of the improvement in the quality of earnings and of its confidence in the future, the board is recommending an increased dividend of 0.6p per ordinary share, this being covered 1.8 times by earnings. The dividend is to be paid on 22nd April 1993 to shareholders on the register on 19th March 1993.

APPRECIATION

Although profitability is the ultimate measure of management performance, it has to be recognised that your company is operating in a very tough business environment. Therefore, I am most grateful for the hard work, commitment and professionalism of the management and

staff, and my executive director colleagues for their special contribution during the year. Once again the experience and support of the non-executive directors has been invaluable, and I am very pleased that we have been able to strengthen our board during 1992, with the appointment of Sir David Trippier as a non-executive director. The loyalty of you, our shareholders, continues to be very much appreciated.

INVESTMENTS

The annual rent roll has increased from £6.9m to £7.5m and will continue to increase during 1993. Three investment properties were sold during the period at, or better than, book value, and £7.1m was spent on three major investment property purchases at Wolverhampton, Warrington, and Lee Green, London. The benefit of increased rental income from these acquisitions will show through in 1993 and beyond.

DEVELOPMENTS

The development company carried out a number of developments where pre-sales or pre-lets had been achieved, and made inroads into the unlet elements of its historic speculative developments.

The company is continuing to undertake developments on a highly selective basis. Its experienced team of surveyors, based in its regional offices, is responding to customers' bespoke requirements, in part by utilising the company's land bank and is thus maintaining the company's position in the market-place.

BALANCE SHEET

Investment and development properties totalled £88.1m at the year-end, compared with indebtedness of £40.9m. The level of gearing, at 99%, is well supported by income producing investment properties. The interest bill was covered 1.45 times by rental income, and this ratio is expected to increase during 1993.





DIRECTORS

Left to right: Anthony Glossop, James Feayesky, Sir David Trippier, Stanley Clarke,
Paul Doona, Chye Lewis and Christopher Rosher

The company has subsequently benefited by the reduction in interest rates, and has recently taken appropriate protection against interest rate increases for £20m of its borrowing.

STRATEGY

During 1992 the board took action to reduce overheads, at the same time maintaining its ability to operate successfully in its established fields of business.

Rental income will continue to rise, improving the quality of earnings. The company is continuing to develop pre-let profitable projects of minimum risk that will contribute to profits in 1993. Long term agreements on well located land with potential for future development are still being secured.

Your company has the experience, reputation and personnel to bring land forward through the planning processes to benefit the landowner and the community in addition to providing future profits to the company.

PROSPECTS

I am of the opinion that property values have generally bottomed out in the regions where the company operates, and I am cautiously optimistic that during 1993 there will be some recovery. The lowering of interest rates will reduce the company's costs, but, more importantly, should create a stimulus to the economy. Profitable development business will continue to be tough to obtain. However, with the company's rising rent roll and the successful outcome of development projects already secured, sound progress will be made during 1993.

Stanley W. Clarke C.B.E.



St. MODWEN PROPERTIES PLC

INDUSTRIAL



Shrub Hill Industrial Estate, Worcester



Snipe Centre, Waters Edge Business Park, Salford Quays

OFFICE



Sandpiper Quay, Waters Edge Business Park, Salford Quays



Bankfield House, Wolverhampton

RETAIL



Cavendish Arcade, Buxton



Castle House, Newcastle under Lyme



St. MODWEN PROPERTIES PLC

PRINCIPAL INVESTMENT PROPERTIES

INDUSTRIAL

	Tenure	sq.ft.	Term Unexpired	Major Tenants (Parent Company in brackets where appropriate)
Bean Road Industrial Estate, Tipton	F/H	205,488		Redman Fisher Engineering (Cooper Industries)
Blackpole Trading Estate, Worcester	F/H	7,036		Bristol St. Motors
Broomhill Way, Torquay (Warehouse)	F/H	10,280		Hudson & Hill (Trusthouse Forte)
Glades, Festival Park, Stoke-on-Trent	L/H	11,000	147 Years	Multiple occupancy
Greet Industrial Estate, Birmingham	F/H	32,347		Multiple occupancy
Gregorys Bank Ind. Est. (East), Worcester	L/H	113,713	997 Years	Fata, Froude Consine (FKI)
Gregorys Bank Ind. Est. (West), Worcester	F/H	124,549		Froude Consine (FKI)
Knights Park, Strood, Kent	F/H	58,000		Ryder Distribution Services
Shrub Hill Industrial Estate, Worcester	F/H	281,316		Sec. of State for Social Services, Bass Leisure, Hereford & Worcester County Council, Heenan Marley
Snipe Centre, Waters Edge, Salford	L/H	13,500	996 Years	Enterprise Zone Properties
Trident Industrial Estate, Warrington	F/H	185,000		Multiple occupancy

OFFICE

	Tenure	sq.ft.	Term Unexpired	Major Tenants (Parent Company in brackets where appropriate)
Bankfield House, Wolverhampton	F/H	30,000		Wolverhampton Council
Castle House, Newcastle under Lyme	F/H	14,105		Staffordshire County Council
Clarendon Court, Leamington Spa	F/H	53,500		Scholastic Publications, Horne Bros., Pearl Assurance, Lunn Poly
Dallam Lane, Warrington	F/H	5,820		Taylor Woodrow
Duchess House, Warrington	F/H	2,065		Iggesund Paperboard
Eastcote, London	F/H	17,000		Emap Business Publishing
Gilbert Wakefield House, Warrington	F/H	13,000		Allied Dunbar
Kennington Park Road, London	F/H	28,000		Sec. of State for the Environment
Lakeside, Festival Park, Stoke-on-Trent	L/H	13,044	147 Years	Whitfield & Son, Serical
Leigate Centre, London	F/H	43,685		Borough of Lewisham, Hyde Housing Association
Lyndon House, Birmingham	L/H	68,289	134 Years	Girobank, National Mutual Life, Inco Alloys, Halcrow Staff & Services, Target Holdings, Provident Mutual Life, Cannon Assurance, Independent Television Commission
Parkway, Plymouth	F/H	21,915		Sec. of State for the Environment
Radclyffe House, Birmingham	L/H	20,197	134 Years	Canon (U.K.)
Sandpiper Quay, Waters Edge, Salford	L/H	21,400	996 Years	Tyson's Plc

RETAIL

	Tenure	sq.ft.	Term Unexpired	Major Tenants (Parent Company in brackets where appropriate)
Ascot Drive, Derby (Retail Warehouse)	L/H	20,000	111 Years	Stakerich
Campbell House, Plymouth	F/H	37,800		House of Fraser
Castle House, Newcastle under Lyme	F/H	22,900		Wilkinsons
Cavendish Arcade, Buxton	F/H	9,207		Speciality Shopping Centre
Hertford St., Coventry	F/H	3,925		Parker & Franks
Leigate Shopping Centre, London	F/H	79,420		Woolworths, Boots, Kwik-Save, Abbey National
Lichfield St., Burton (Retail Warehouse)	F/H	19,024		Tyre Sales Ltd.
Nicholas St., Weymouth (Retail Warehouse)	L/H	17,735	117 Years	Texas Homecare
Ocragon Shopping Centre, Burton upon Trent	F/H	127,525		Beatties department store and national and regional retailers
Osmaston Road, Derby (Retail Warehouse)	F/H	26,900		Kwik-Save
Shrewsbury Mall, Rugeley	F/H	9,861		Wilkinsons



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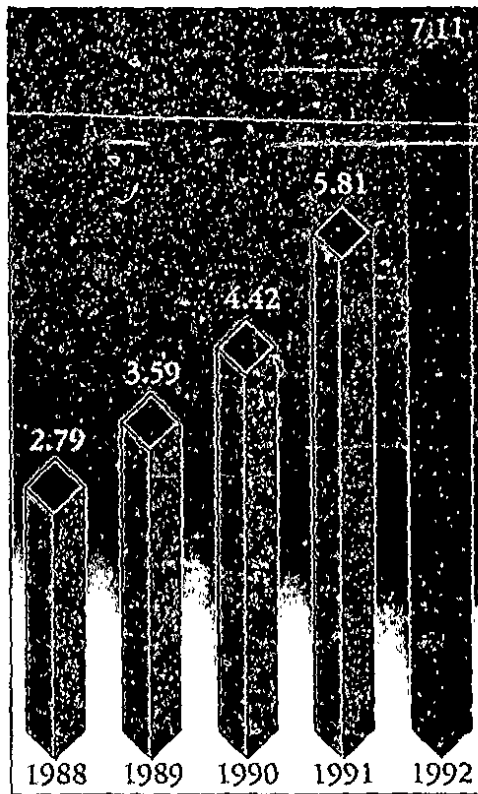
Clarendon Court,
Leamington Spa



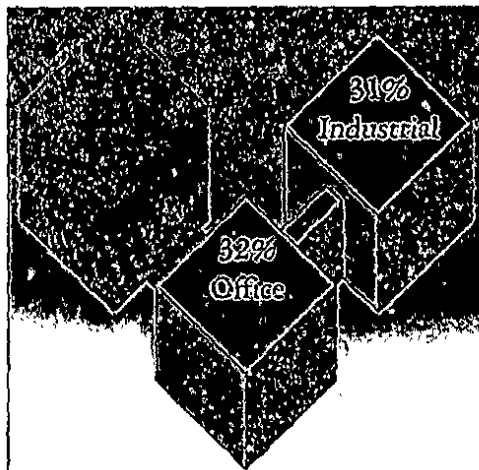
The Octagon Centre,
Burton upon Trent



RENTAL INCOME (£m)



INVESTMENT PROPERTIES by type (income)



INVESTMENT PROPERTY

The main factor affecting the UK investment property market during the year has been the continued weakness in occupational demand. Whilst there have been some areas that have bucked this trend, in general the market has seen a softening in rental levels, the need for incentives to attract the occupiers that have been available and considerable periods of targeted marketing required to achieve lettings.

Against this background the company's portfolio performed creditably. Its strengths have always been that its rental levels are affordable and its premises represent value for money. These strengths were reflected in the proportion of voids reducing in the year and in rental levels holding up better than a number of external surveys would suggest.

That is not to say that the year was an easy one. Each quarter saw some loss of tenants as occupiers, weakened by the continued recession, failed. Rents did in some circumstances have to be reduced to match the new lower market levels and sensible incentive packages were offered to attract tenants.

In total, progress was made. The annual rent roll has increased from £6.9m to £7.5m. Inroads were made into the void properties transferred from the development programme in the previous year. In the core portfolio, on balance new lettings or relettings made up for the losses by tenants' failure.

OCTAGON SHOPPING CENTRE

We were particularly pleased that at the Octagon Shopping Centre, Burton upon Trent all the Mall units had been let by the end of 1992, although 4 of them were on





Leegate Shopping Centre,
Lee Green, London



Leegate Shopping Centre,
Lee Green, London

OPERATIONAL REVIEW

short-term arrangements, which will need replacing with long-term lettings in the present year. It has taken just over two years' hard work from the opening of this Centre to reach this milestone, which underlines the Centre's high ranking amongst centres opened in that period.

RENT REVIEWS

Rent reviews are obviously becoming difficult to negotiate as perceptions of rental levels on new lettings weaken. However, coming from the low base rents that we have referred to previously, all the reviews in the year were settled on an acceptable basis. The principal reviews were in our head office building at Lyndon House, Birmingham where we now have a rent roll in excess of £700,000, excluding space taken by St. Modwen, compared with £260,000 at the time of acquisition in 1987. In London our Kennington office building occupied by the DSS was reviewed and an uplift of 66% was obtained.

NEWCASTLE TOWN CENTRE

The reletting of the former Co-operative store in Newcastle under Lyme was undertaken during the year. The principal shopping floor of this building has been let to Wilkinsons who have also taken ancillary storage in the basement, whilst the remainder of the basement and the upper floors have been let to the local authority as a public library. The resultant combined rent of approaching £200,000 services the capital employed whilst a potential development site at the rear remains available, awaiting the time when a comprehensive town centre development in Newcastle can once again be supported.

SALES

Three properties were sold in the year, all at or above book value. An industrial

tenant bought two factories that he occupied in Welham Green, and a Safeway supermarket and a small business unit tax investment were sold in Sheffield and Salford, respectively.

ACQUISITIONS

The funds raised were used to acquire three properties where there was believed to be greater scope for active management. These comprise:

A 30,000 square foot office building in Wolverhampton, let to the local authority where a lease renewal is in prospect.

A twenty-two acre former MOD site at Warrington, close to Junction 11 on the M62 — this property, now known as Trident Industrial Estate, provides some 185,000 sq.ft. of existing refurbished space as well as providing sites for bespoke development.

The Leegate Shopping Centre in Lee Green, South-East London — this centre comprises 41 shop units, some 43,000 sq.ft. of offices, 33 flats and a petrol station. The rent roll when acquired was around £400,000 but the reletting of vacant units, agreed rent reviews and lease renewals will increase that figure substantially. This improvement has been greatly assisted by the letting of 16,000 sq.ft. of previously unoccupied office space to the Hyde Housing Association who are taking 4 floors of Leegate House on a 20 year lease after a refurbishment programme, which is well in hand.

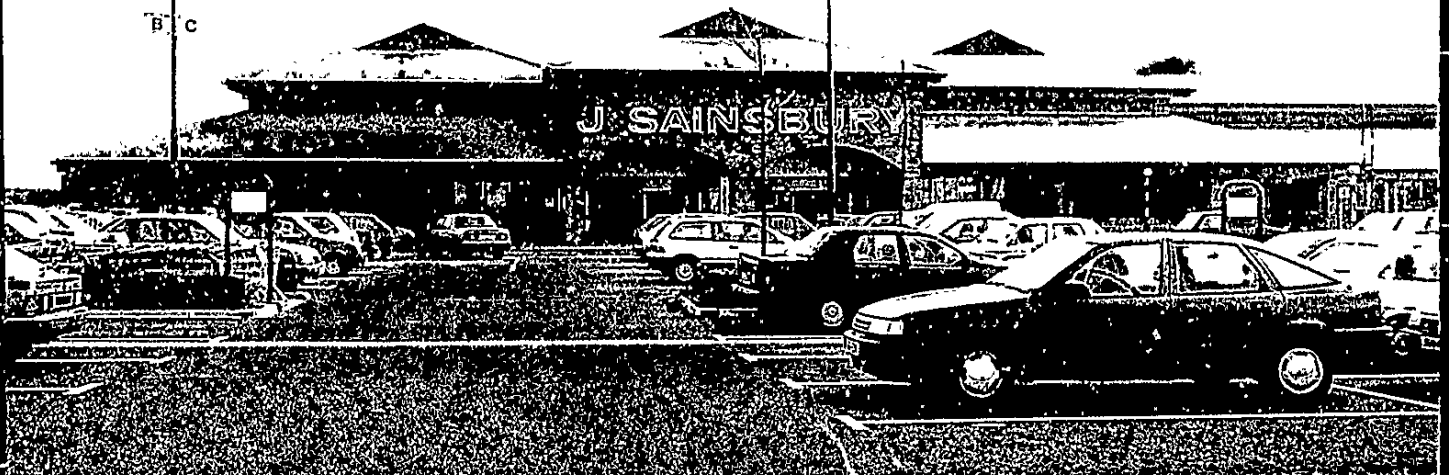
STRATEGY

The plan for the current year is for more progress on similar lines managing the portfolio actively, letting the vacant space, seeking out new opportunities and making disposals where our management role has been completed.

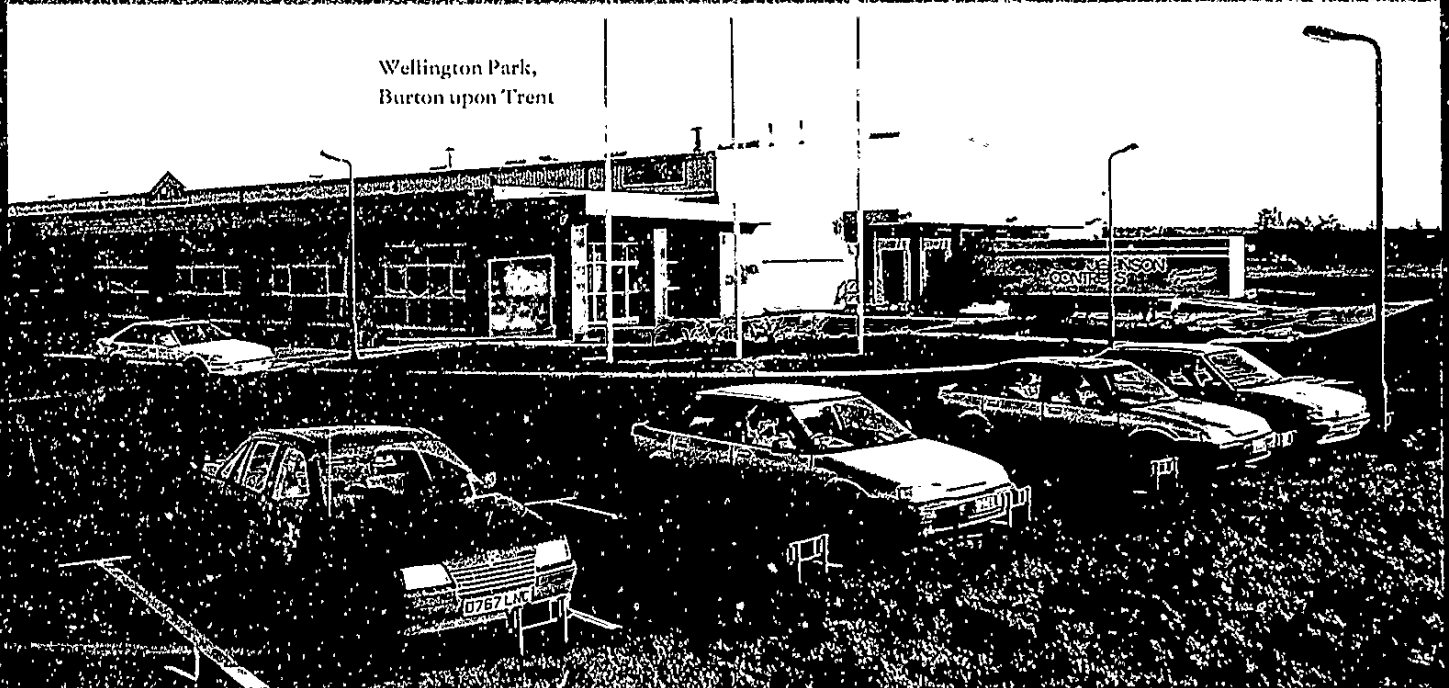


St. MODWEN PROPERTIES PLC

Orbital Centre,
Cannock



Wellington Park,
Burton upon Trent



Progress Business Centre, Cannock



OPERATIONAL REVIEW

DEVELOPMENTS

The year under review was a quiet one on the development front. The four developments at Festival Park in Stoke-on-Trent referred to last year, namely the pre-lets or pre-sales to Barclays Bank, Hanley Economic Building Society and Parcel Force, as well as a site sale to McDonalds, were all completed and the investment created by the Parcel Force letting was successfully sold.

Elsewhere land sales were made at Centurion Park, Tamworth, completing the highly successful development of this forty acre scheme; Wellington Park, Burton upon Trent; and Progress Business Centre, Cannock, where a small phase of buildings was completed and substantially sold.

Progress was also made in letting or selling units from the remainder of the historical speculative development programme with activity at the Oaks Office Park, Redditch, Raynesway Business Park, Derby, Swan Business Park, Dartford and Ironbridge Business Park, Neasden.

At Springfields Retail Park in Stoke-on-Trent a site was sold to Aldi who are now trading from a 14,000 sq.ft. store, whilst 62,000 sq.ft. out of a 70,000 sq.ft. non-food retail development has been also let, construction of which has now commenced.

PRE-LET OPPORTUNITIES

Looking ahead, apart from the Springfields development which will form the core of the current year's development programme, further pre-let opportunities are in an advanced state of discussion

at Festival Park and a warehouse of 24,000 sq.ft. has been pre-let to Post Office Counters at Waters Edge Salford and is now under construction.

CANNOCK SHOPPING CENTRE

We will also be starting work shortly on the first phase of the Cannock Shopping Centre for which we were appointed by the District Council during the year as its chosen developer. This phase comprises the refurbishment and extension of an existing multi-storey car park. Planning permission for the main scheme has been obtained and marketing for the anchor units is under way with good interest being attracted. The scheme will provide 80,000 sq.ft. of retail space in two phases. The scheme lies in the centre of Cannock and will knit together the core shopping area providing a central shopping focus that the town has long needed.

LAND BANK

There has also been useful progress in building up our land bank with representations made at a number of Local Plan Inquiries in support of sites over which we have control. We are hopeful that a number of these opportunities will bear fruit and will enhance our ability to meet bespoke requirements.

DEVELOPMENT CAPABILITY

We have continued to take appropriate action to match the size of our development team to the level of activity and this has led to a significant reduction in our overhead costs. However, we retain our basic capabilities as a development company as can be seen from the development opportunities that we are bringing forward even in the present difficult market-place.

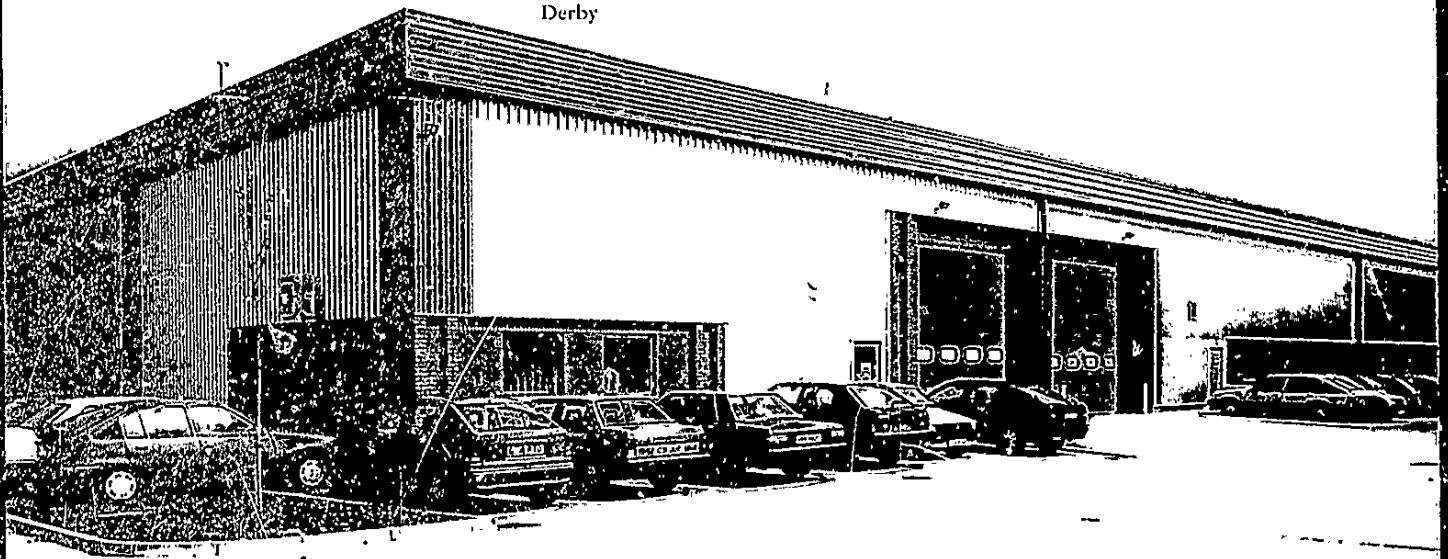


St. MODWEN PROPERTIES PLC

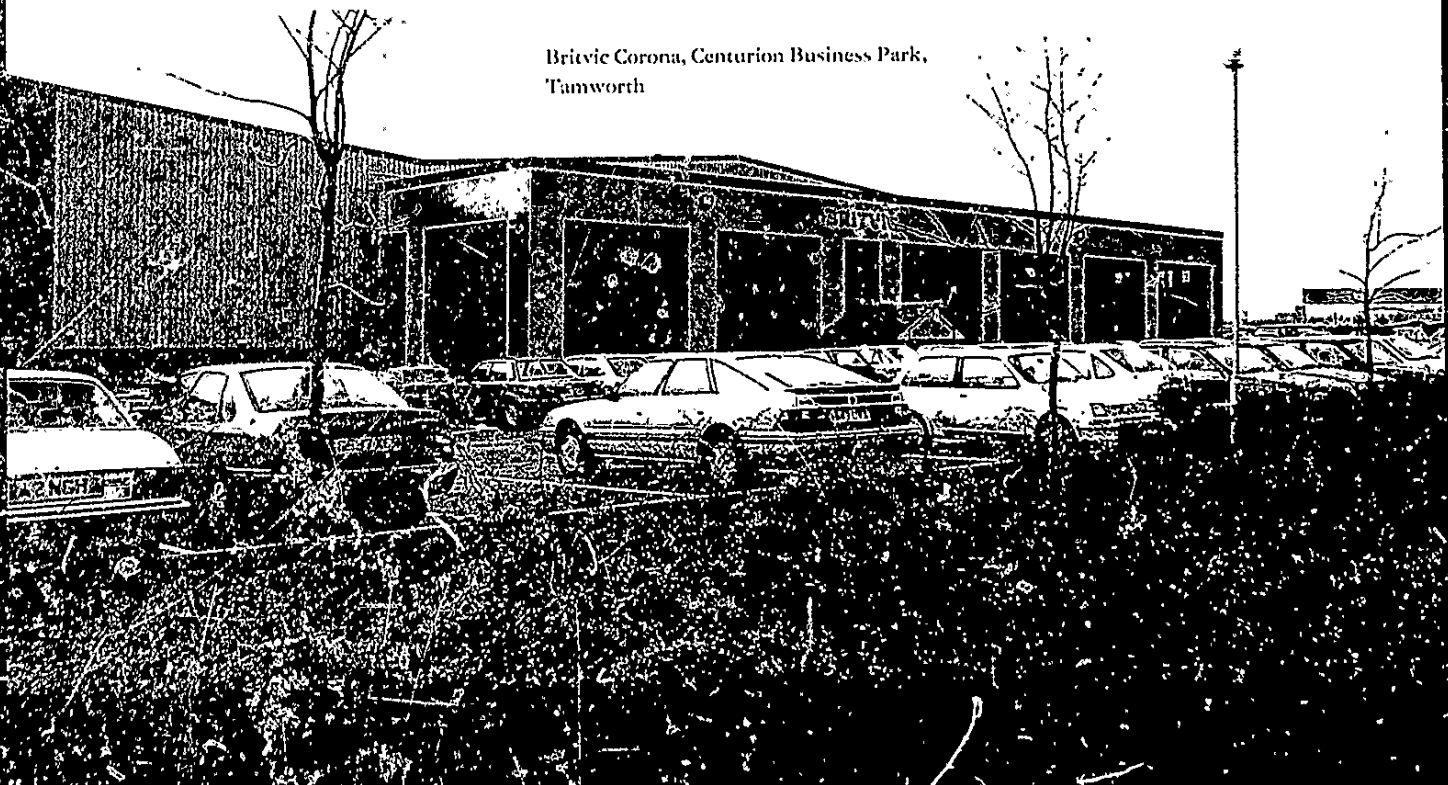
KPMG Peat Marwick McLintock,
Stoke Festival Park



Ravnesway Park,
Derby



Britvic Corona, Centurion Business Park,
Tamworth



OPERATIONAL REVIEW

BALANCE OF OPERATIONS

A significant milestone attained in the year was that by the year-end our rent roll on an annualised basis more than covered our interest bill, even before recent reductions, and overhead costs. This gives us a security from which we can plan positively. It clearly marks a further stage in the shift in balance of our operations from development to investment. However, we intend to remain active in the development and land search fields where we have considerable expertise and where good profits can still be earned on sensible schemes.

OTHER ACTIVITIES

Clarke London Limited, in which the Company has a 45% shareholding, refurbished two floors of one of its properties near Southwark Cathedral and

these are now available for letting. It retains a waterfront site for which there is planning permission for some 30,000 sq.ft. of office space. No action is currently planned for that scheme.

Uttoxeter Racecourse continues to trade profitably and will benefit in future years from the funds available for investment created by the cash injection by your Chairman, Mr. S. W. Clarke, for 60% of the share capital which has now reduced the Company's interest to a 32% holding.

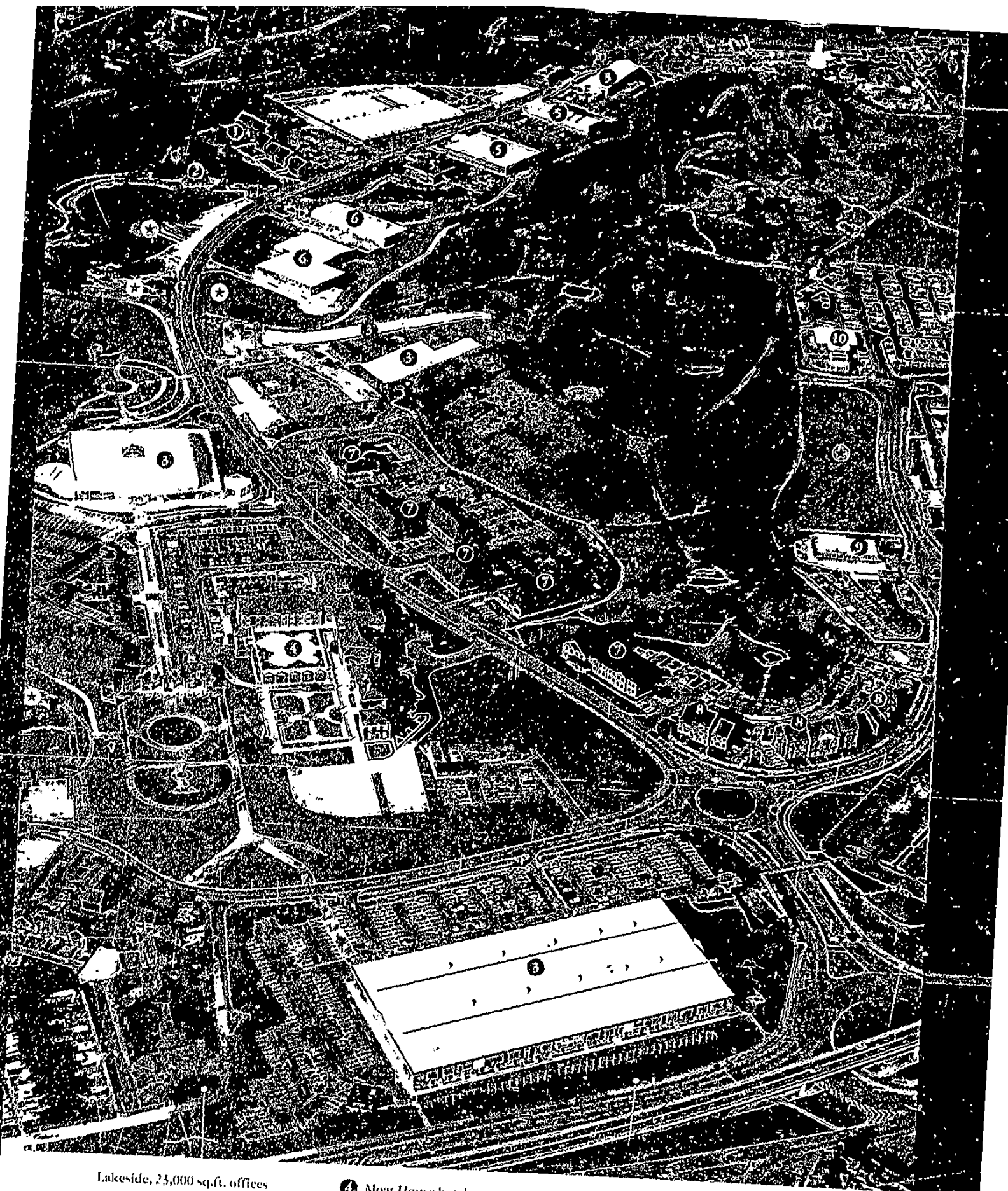


C. C. Anthony Glossop
Chief Executive

Springfields Retail Park,
Stoke-on-Trent



St. MODWEN PROPERTIES PLC



- Lakeside, 23,000 sq.ft. offices

Island Reach, St. Modwen regional office

③ Leisure complex — cinemas, bowling, ski-slope, Waterworld

④ Mount House hotel

⑤ The Glades, 74,300 sq.ft. industrial

⑥ Woodlands, 43,500 sq.ft. industrial

★ Future development opportunities

⑧ Hillside, 72,500 sq.ft. offices

⑨ Ridge House, 26,500 sq.ft. offices

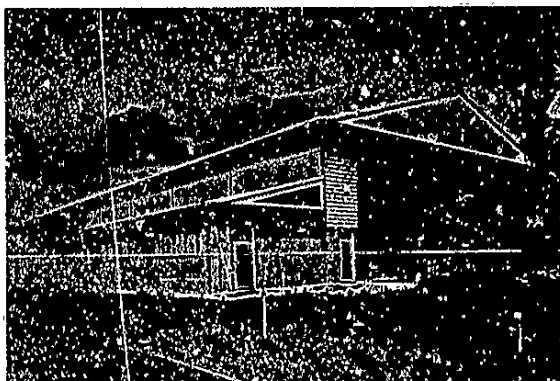
⑩ McDonald's restaurant



Stoke Festival Park is a multi-use development totalling 180 acres. Retail, leisure, hotel, offices and industrial facilities have been created on this reclaimed site, the home of the 1986 Garden Festival.

Much of the topography and landscaping of the Garden Festival site has been retained, thus helping to create a unique commercial and retail centre set in a landscaped environment.

Situated on the site of a former steelworks, the development has created in excess of 2,500 new jobs and has involved the construction of one million square feet of new buildings catering for both national and local clients.



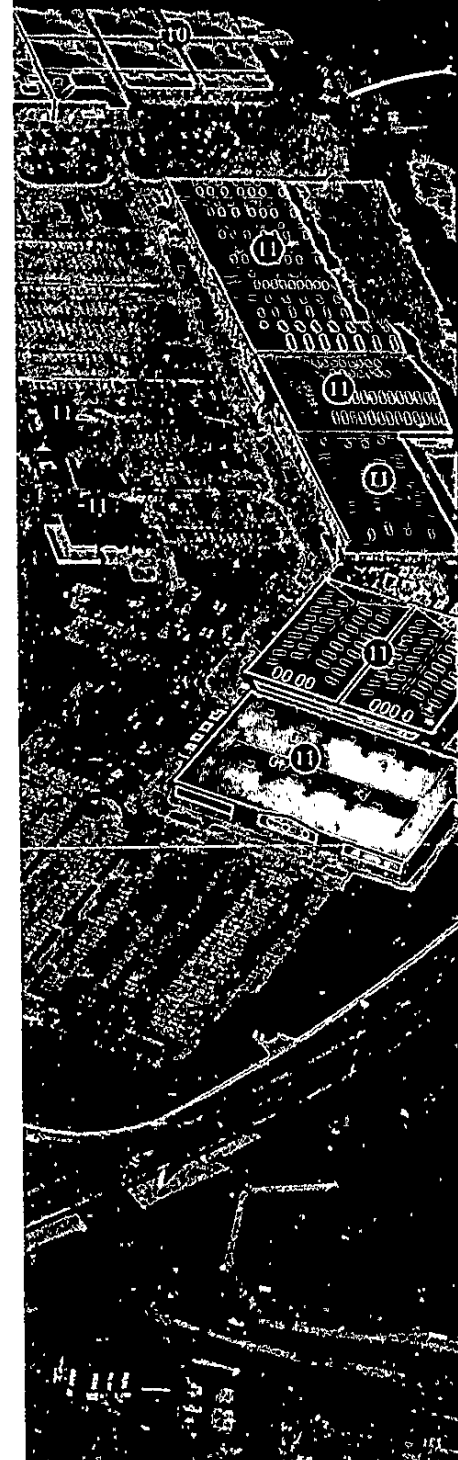
Parcel Force distribution centre



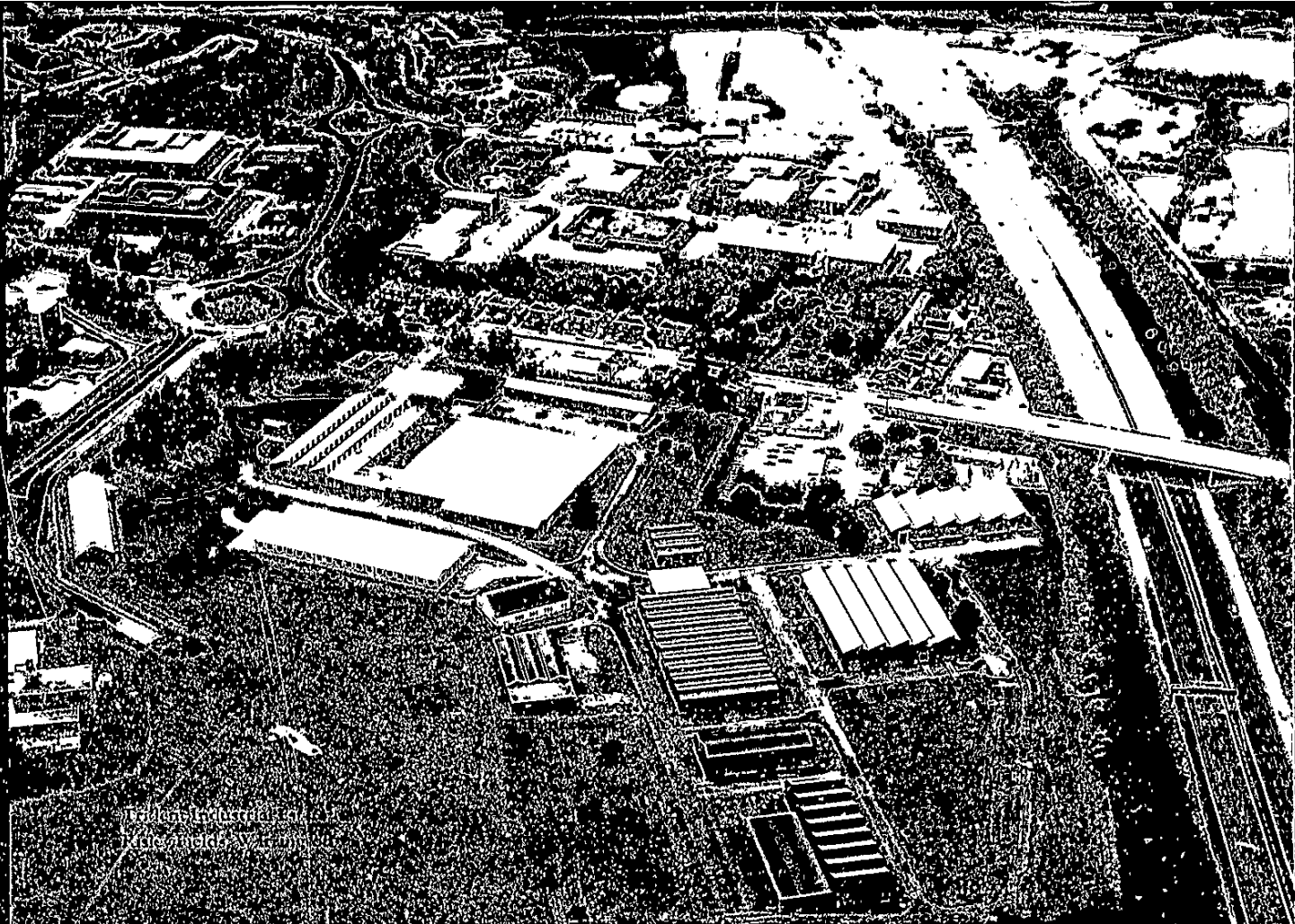
McDonald's drive-thru restaurant



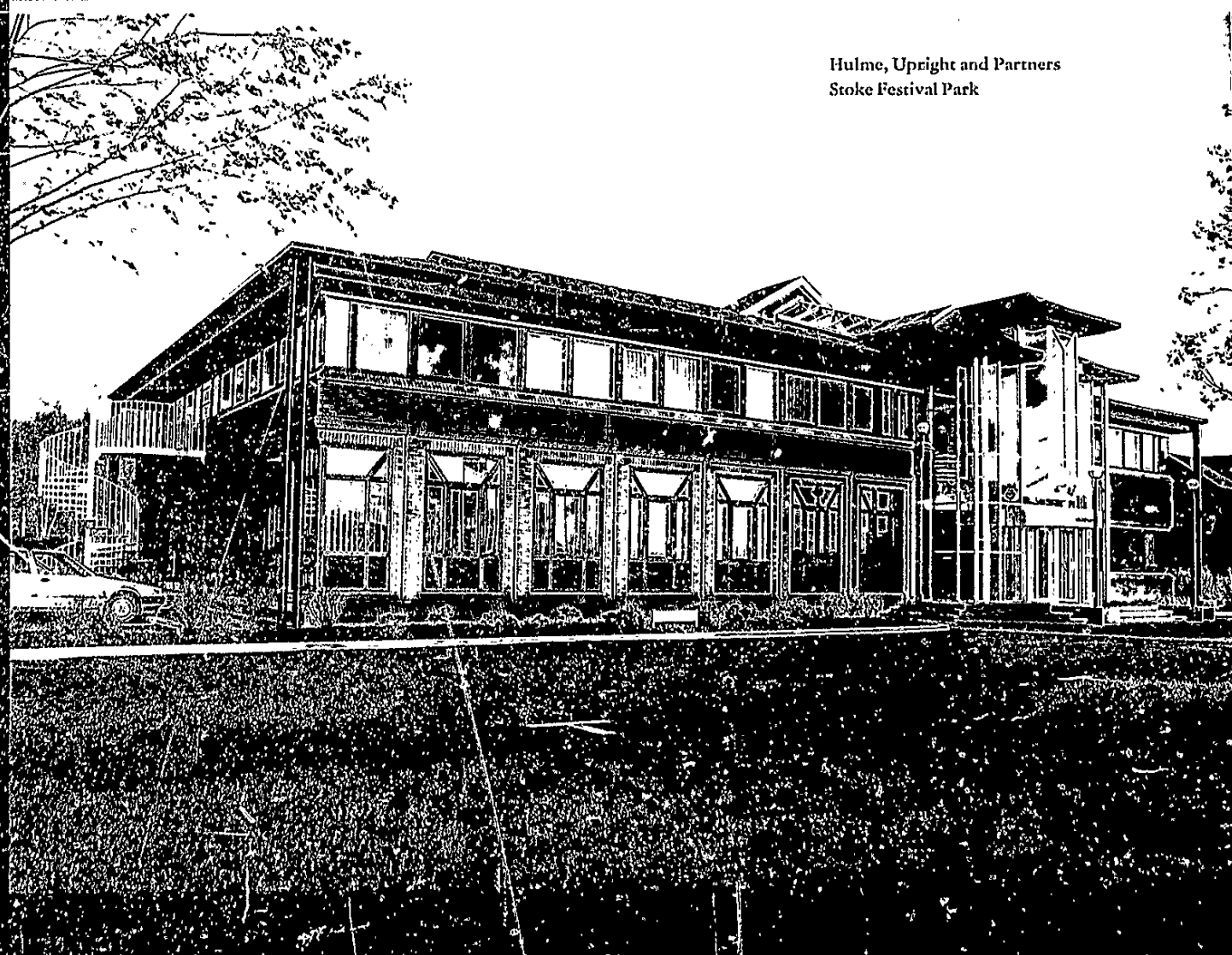
St. MODWEN PROPERTIES PLC



- ⑩ Superstore and petrol filling station
- ⑪ Retail park and restaurants, 208,000 sq.ft.



Hulme, Upright and Partners
Stoke Festival Park



Hulme, Upright and Partners
Stoke Festival Park

DIRECTORS

Stanley W. Clarke, CBE
(Chairman)

Appointed a Director in 1986.
Joined St. Modwen Developments in 1966
and was previously the Chairman of
Clarke Securities Limited.

C. C. Anthony Glossop, MA
(Chief Executive)

Appointed a Director in 1976. Previously
Chief Executive of Redman Heenan
International Plc.

Paul E. Doona, BA (Hons), FCA
(Finance Director)

Appointed a Director in 1988. Previously
Financial Controller, Clarke Securities
Limited.

James D. Leavesley
(Non-Executive)

Appointed a Director in 1986. He is the
Chairman of a number of private companies
and a Director of Evans of Leeds Plc.

Christopher E. Roshier, MA, FCA
(Non-Executive)

Appointed a Director in 1987. He is a
Chartered Accountant with over 20 years'
experience in Corporate Finance. He is a
director of a number of other companies.

Clive H. Lewis, FRICS, FSVA
(Non-Executive)

Appointed a Director in 1986. He is Joint
Chairman of Erdman Lewis International,
Surveyors and Valuers, Deputy Chairman
of the Merseyside Development
Corporation, Senior Vice-President of the
RICS and a member of the General
Council of the RICS.

Sir David Trippier RD, JP, MSI
(Non-Executive)

Appointed a Director in 1992. Admitted
as a member of the Stock Exchange in
1968. Entered Parliament in 1979,
spending nine of his thirteen years in
Parliament as Minister. His time in office
included periods as Minister for Small
Firms and Enterprise, Minister for Inner
Cities and most recently Minister of State
for the Environment and Countryside.
He is currently Chairman of Tepnel
Diagnostics Plc and a director of P & P Plc.

PROFESSIONAL ADVISERS

Auditors

Touche Ross & Co

Stockbrokers

S. G. Warburg Securities
Smith Keen Cutler

Bankers

National Westminster Bank PLC

Registrars

Lloyds Bank Plc, Registrar's Department,
Goring-by-Sea, Worthing,
West Sussex BN12 6DA.



St. MODWEN PROPERTIES PLC

DIRECTORS' REPORT

The directors present their report together with the audited accounts of the company for the year ended 30th November 1992.

REVIEW OF RESULTS, ACTIVITIES AND FUTURE PROSPECTS

The pre-tax profit for the year was £1.71m. The retained profit of £0.57m is to be transferred to revenue reserves.

The company acts as the holding company of a group of property investment and development companies.

A review of activities is given in the operational review on pages 6 to 15. The Chairman comments on future prospects in his statement on pages 2 and 3.

DIVIDENDS

The directors recommend the payment of a final dividend of 0.6p (1991 0.55p) per ordinary share. The dividends on the 6% cumulative first preference shares were paid on 31st March 1992 and 30th September 1992. The dividends on the 8.5% cumulative redeemable second preference shares were paid on 31st May 1992 and 30th November 1992.

DIRECTORS AND THEIR INTERESTS

The names of the directors of the company are set out on page 17.

Sir David Trippier who was appointed a Director on 19th May 1992 will retire from the Board in accordance with the provisions of the company's Articles of Association and offers himself for re-election.

Mr. C. C. A. Glossop and Mr. P. E. Doona will retire from the Board in accordance with the provisions of the company's Articles of Association and offer themselves for re-election.

Sir David Trippier does not have a service contract with the company.

Mr. C. C. A. Glossop and Mr. P. E. Doona have contracts of employment with the company which are terminable by either party giving not less than two years and six months written notice respectively.

The interests of directors and their families were as follows:

	30th November 1992		30th November 1991	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Ordinary Shares				
S. W. Clarke	26,625,273	849,567	26,230,273	849,567
C. C. A. Glossop	357,117	—	357,117	—
P. E. Doona	27,200	—	27,200	—
J. D. Leavesley	9,238,263	4,527,751	9,238,263	4,527,751
C. H. Lewis	787,395	25,000	787,395	25,000
C. E. Roshier	10,000	—	10,000	—
Sir David Trippier	—	—	—	—
8.5% Cumulative Redeemable Second Preference Shares				
C. C. A. Glossop	500	—	500	—

At 30th November 1992 Mr. C. C. A. Glossop and Mr. P. E. Doona held options under the executive and savings related share option schemes for 935,022 and 526,440 ordinary shares respectively.

Since 1st December 1992 Sir David Trippier has acquired 17,200 ordinary shares. There were no other changes in the interests of the directors between 1st December 1992 and 16th February 1993.

The directors have no interests in the shares of subsidiary companies.

The company acts as developer for Branton Property Partnership, owned 95% by Mr. S. W. Clarke and Mr. J. D. Leavesley. During the year, the turnover of the company from this source was £511,200 and the profit earned was £124,426.



St. MODWEN PROPERTIES PLC

DIRECTORS' REPORT

Mr. C. H. Lewis, a non-executive director of the company, is Joint Chairman of Erdman Lewis International, Surveyors and Valuers, which firm has acted as letting and selling agents for the company in its normal course of business.

None of the other directors had any material interest in contracts with the group, being contracts of significance in relation to the group's activities.

SUBSTANTIAL INTERESTS

As at 16th February 1993, in addition to those noted above, the company had been notified of the following interest in more than 3% of its Share Capital:

Shareholder	Percentage of Ordinary Share Capital
Scottish Amicable Investment Managers Limited	7.9%

SHARE OPTION SCHEMES

There are two share option schemes in existence for employees. The first is the Savings Related Share Option Scheme for all full time UK employees of the group. The second is the St. Modwen Properties Executive Share Option Scheme for selected senior executives and executive directors.

Further details are provided in note 19 to the accounts.

TANGIBLE FIXED ASSETS

Movements in the tangible fixed assets of the group are set out in note 12 to the accounts.

ANNUAL GENERAL MEETING

Shareholders will be asked at the Annual General Meeting to approve three items of special business. The first is an ordinary resolution giving the directors unconditional authority to allot securities of the company. The maximum amount of securities which may be allotted being the authorised but as yet unissued share capital of the Company. This authority will expire on 16th April 1998, and it is proposed to renew the authority each year at the Annual General Meeting.

The second is a special resolution renewing the power of the directors to allot equity securities for cash not exceeding 5% of the nominal value of the issued share capital of the Company and also, in the case of rights issues, to allot shares where necessary other than strictly in accordance with the pre-emptive provisions set out in section 89 of the Companies Act 1985. The power conferred by the special resolution will expire 15 months after the date of the passing of the resolution and it is proposed to renew it each year at the Annual General Meeting.

The third is a special resolution which seeks to renew the company's authority for a further year to purchase up to 11.67 million of its ordinary shares (representing approximately 10% of the issued ordinary share capital) in the market. The directors have no present intention of using this authority and, before doing so, would take into account the company's cash resources and the effect of any purchase on earnings and net assets per share. Any shares purchased will be cancelled.

CLOSE COMPANY STATUS

The company is not a "close" company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

Touche Ross & Co. have expressed their willingness to remain in office and a resolution to reappoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors

Registered Office: Lyndon House

and signed on behalf of the Board

Hagley Road

P. E. DOONA Secretary

Birmingham B16 8PE

16th February 1993

Company Number 349201

P. Doona.



St. MODWEN PROPERTIES PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th NOVEMBER 1992

		1992	1991
	Notes	£'000	£'000
Turnover	1	18,491	45,111
Cost of sales		9,951	34,666
Gross Profit	1	8,540	10,445
Other operating income		415	48
Share of losses of related companies		(82)	(58)
Administrative and other operating expenses		(2,166)	(2,671)
Amortisation of goodwill	11	(165)	(165)
		(1,938)	(2,845)
Operating Profit		6,602	7,600
Interest payable	2	(4,895)	(5,492)
Profit on Ordinary Activities before taxation	1 & 3	1,707	2,108
Taxation on profit on ordinary activities	6	(412)	(102)
Profit on Ordinary Activities after taxation		1,295	2,006
Minority Interest		—	(4)
Profit for the Financial Year attributable to shareholders		1,295	2,002
Dividends	7	(729)	(671)
Transferred to Reserves	21	566	1,331
Earnings per Ordinary Share	8	1.1p	1.7p

A statement of the movement in reserves may be found in note 21 on page 31.



St. MODWEN PROPERTIES PLC

BALANCE SHEETS

AT 30th NOVEMBER 1992

	Notes	Group		Company	
		1992	1991	1992	1991
		£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	11	228	393	—	—
Tangible assets	12	73,584	75,890	4,023	4,453
Investments	13	1,810	1,065	27,155	28,518
		75,622	77,348	31,178	32,971
Current Assets					
Stocks	14	14,873	20,117	—	2,201
Debtors	15	3,270	2,087	31,148	10,436
Cash at bank and in hand		863	997	13,374	34,133
		19,006	23,201	44,522	46,770
Current Liabilities					
Creditors: amounts falling due within one year					
Bank loans and overdrafts (secured)		—	3,500	—	—
Creditors and accruals	16	11,559	14,868	4,936	5,341
		11,559	18,368	4,936	5,341
Net current assets		7,447	4,833	39,586	41,429
Total Assets less Current Liabilities		83,069	82,181	70,764	74,400
Creditors: amounts falling due after more than one year	17	(41,705)	(37,174)	(29,400)	(29,400)
Deferred taxation	18	—	(7)	—	—
Net assets		41,364	45,000	41,364	45,000
Capital and Reserves					
Called up share capital	19	12,029	12,029	12,029	12,029
Share premium account	20	8,034	8,034	8,034	8,034
Merger reserve	21	9	9	9	9
Revaluation reserve	21	4,126	9,370	17,907	20,135
Profit and loss account	21	17,166	15,558	3,385	4,793
Shareholders' Funds		41,364	45,000	41,364	45,000

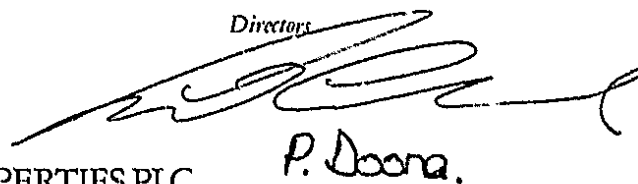
The Report and Accounts were approved by the Board of Directors on 16th February 1993.

Signed on behalf of the Board of Directors

S. W. CLARKE

P. E. DOONA

Directors



P. Doona.



St. MODWEN PROPERTIES PLC

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30th NOVEMBER 1992

		1992	1991
	Notes	£'000	£'000
Net cash inflow from operating activities	24(a)	7,502	23,664
Returns on investments and servicing of finance			
Interest received		87	159
Interest paid		(4,982)	(5,651)
Dividends paid		(671)	(612)
Net cash outflow from returns on investments and servicing of finance		(5,566)	(6,104)
Corporation tax paid		(776)	(1,726)
Investing activities			
Purchase of investment properties		(8,992)	(4,896)
Purchase of other tangible assets		(34)	(28)
Sale of investment properties		6,010	5,803
Sale of other tangible assets		721	2
Related companies		(30)	(3)
		(2,325)	878
Net cash (outflow)/inflow before financing		(1,165)	16,712
Financing			
(Increase)/decrease in bank loans	24(b)	(1,031)	10,196
(Decrease)/increase in cash and cash equivalents	24(b)	(134)	516
		(1,165)	16,712



St. MODWEN PROPERTIES PLC

ACCOUNTING POLICIES

The accounts and notes have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention, modified by the revaluation of completed investment properties and shares in subsidiary and related companies.

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the company and its subsidiaries for all financial periods ended 30th November 1992. Newly acquired subsidiaries are consolidated from the effective date of their acquisition.

TURNOVER AND PROFIT RECOGNITION

Turnover represents sales of development properties, rental income receivable, service charges and other recoveries and income from leisure activities. Profit on development properties is recognised on sale and financial completion.

INTANGIBLE FIXED ASSETS

Goodwill, representing the excess of the cost of acquisition of subsidiaries and related companies over the net assets acquired, is amortised over eight years. The period chosen represents the estimated economic life.

TANGIBLE FIXED ASSETS

Depreciation is not provided on investment properties which are subject to annual revaluations. Other tangible fixed assets are depreciated by equal instalments over their expected useful lives at annual rates varying between 10% and 50%.

INVESTMENT IN SUBSIDIARY AND RELATED COMPANIES

The investments in subsidiary and related companies are included in the balance sheets at directors' valuation. The valuation recognises the cost of acquisition, together with unamortised goodwill and changes in the book values of the underlying net assets. The surplus or deficit arising on revaluation is transferred to reserves.

INVESTMENT PROPERTIES

Completed investment properties are included in the balance sheet at an open market value. The surplus or deficit of such value over cost is transferred to reserves.

STOCKS

Stocks and work in progress are stated at the lower of cost and net realisable value less amounts invoiced on account. Cost includes materials, labour, an appropriate amount of overheads and interest where applicable.

DEFERRED TAXATION

Deferred taxation is provided at the anticipated tax rates on timing differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise in the future. 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.

INTEREST

Interest incurred on properties in the course of development, whether for sale or retention as investments, is capitalised, if appropriate, where the development programme is in the nature of a long-term contract. Interest on such contracts is capitalised during the development period, after which it is written off. All other interest is written off when incurred.

PENSION COSTS

Retirement benefits to employees in the group are provided by a defined benefit scheme which is funded by contributions from group companies and employees. Payments to pension funds are made in accordance with periodic calculations by professionally qualified actuaries.

The costs are charged to the profit and loss account, so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.



NOTES TO THE ACCOUNTS

1. Turnover and Profits

The contributions to turnover and gross profit by each of the principal activities of the group and the composition of profit on ordinary activities before taxation were as follows:

	1992		1991	
	Turnover £'000	Profit £'000	Turnover £'000	Profit £'000
Rental income	7,114	6,746	5,806	5,425
Property development	10,671	1,454	38,466	4,601
Other activities	706	340	839	419
	<u>18,491</u>	<u>8,540</u>	<u>45,111</u>	<u>10,445</u>
Other operating income		415		49
Share of losses of related companies		(82)		(58)
Administrative and other operating expenses		(2,186)		(2,671)
Amortisation of goodwill		(165)		(165)
		<u>6,602</u>		<u>7,600</u>
Interest payable		(4,895)		(5,492)
Profit on ordinary activities before taxation		<u>1,707</u>		<u>2,108</u>

2. Interest Payable

	1992 £'000	1991 £'000
Interest payable		
Bank loans and overdrafts	4,948	5,894
8.5% Secured loan stock 1995	34	34
	<u>4,982</u>	<u>5,928</u>
Interest receivable	(87)	(159)
	<u>4,895</u>	<u>5,769</u>
Charged to cost of sales	—	(277)
	<u>4,895</u>	<u>5,492</u>

3. Profit on Ordinary Activities before Taxation

The profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible fixed assets	36	98
Auditors' remuneration — audit services	38	45
— non-audit services	50	35
Profit on sale of investment properties	(405)	(43)
Provisions against development properties	1,215	956

4. Directors' Remuneration

Salaries and fees	332	302
Pension to former director	2	2
	<u>334</u>	<u>304</u>
Remuneration of the chairman and highest paid director	<u>134</u>	<u>130</u>

Scale of other directors' remuneration:

	Number	Number
£ 5,001 - £ 10,000	1	—
£ 10,001 - £ 15,000	3	3
£ 15,001 - £ 20,000	—	1
£ 20,001 - £ 25,000	1	—
£ 25,001 - £ 30,000	—	1
£ 30,001 - £ 35,000	1	—



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

5. Employees

The average number of full-time employees (including directors) employed by the group during the year was as follows:

	1992	1991
	Number	Number
Administration	13	13
Property Management	24	20
Property Development	14	14
Other Activities	6	9
	<u>57</u>	<u>56</u>

The aggregate payroll costs of these persons were:

	£'000	£'000
Wages and salaries	1,144	1,052
Social security costs	97	110
	<u>1,241</u>	<u>1,162</u>

6. Taxation on Profit on Ordinary Activities

The charge for the year comprises:

	£'000	£'000
Corporation tax on the profit for the year at 33% (1991 - 33%)	263	320
Share of taxation of related company	(7)	—
Deferred tax	—	(200)
	<u>256</u>	<u>120</u>
Adjustments in respect of previous years:		
Corporation tax	156	(18)
	<u>412</u>	<u>102</u>

At 30th November 1992 the group had available unused advance corporation tax previously written off of approximately £38,000 (1991 - £55,000). The taxation charge for the year has been reduced by £150,000 in respect of property disposals where the availability of capital losses eliminates any tax liability and by £224,000 in respect of trading losses brought forward. The taxation charge has been increased by £84,000 in respect of expenditure not qualifying for tax relief.

7. Dividends

Ordinary 10p shares - proposed final dividend of 0.6p (1991 - 0.55p) per share
 6% Cumulative first preference £1 shares
 8.5% Cumulative redeemable second preference £1 shares

	1992	1991
	£'000	£'000
Ordinary 10p shares - proposed final dividend of 0.6p (1991 - 0.55p) per share	700	642
6% Cumulative first preference £1 shares	1	1
8.5% Cumulative redeemable second preference £1 shares	28	28
	<u>729</u>	<u>671</u>

8. Earnings per Share

Earnings per ordinary share are calculated by dividing the profit attributable to ordinary shareholders of £1,266,513 (1991 - £1,972,718) by the number of ordinary shares in issue during the year of 116,721,114 shares (1991 - 116,721,114 shares).

No material dilution of earnings per share would arise if the outstanding share options were exercised.

9. Profit of Parent Company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The profit for the financial year of the parent company was £405,000 (1991 - £3,465,000).



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

10. Pensions

The Group operates a defined benefits pension scheme, covering the majority of employees, which is funded at rates recommended by an independent actuary. Contributions are invested separately from the Group's assets. Pension costs are calculated in accordance with SSAP 24.

The last formal actuarial valuation of the scheme was as at 5th April 1988, when the market value of the net assets of the scheme was £8,107,884. The valuation was performed using the aggregate method. The main actuarial assumptions were:

Investment rate of return	9% p.a.
Increase in earnings	8% p.a.
Increase in pensions	4.5% p.a.

The valuation showed a funding level of 150%. Following the valuation, the company has continued to enjoy a contribution holiday.

11. Intangible Fixed Assets

	Goodwill £'000
<i>Cost</i>	
Balance at 1st December 1991 and 30th November 1992	1,318
<i>Accumulated depreciation</i>	
Balance at 1st December 1991	925
Charge for the year	165
Balance at 30th November 1992	1,090
Net book value	
At 30th November 1992	228
At 30th November 1991	393

12. Tangible Fixed Assets

	Freehold investment properties £'000	Long leasehold investment properties £'000	Other long leasehold properties £'000	Plant, machinery and equipment £'000	Total £'000
(a) Group					
<i>Cost or valuation</i>					
At 1st December 1991	58,812	15,954	1,019	615	76,400
Additions	8,992	—	—	34	9,026
Deficit on revaluation	(4,221)	(749)	—	—	(4,970)
Disposals	(5,510)	(95)	(656)	(153)	(6,414)
At 30th November 1992	58,073	15,110	363	496	74,042
At 1992 valuation	58,073	15,110	—	—	73,183
At cost	—	—	363	496	859
	58,073	15,110	363	496	74,042
<i>Depreciation</i>					
At 1st December 1991	—	—	—	510	510
Charge for the year	—	—	—	36	36
Disposals	—	—	—	(88)	(88)
At 30th November 1992	—	—	—	458	458
Net Book Value					
At 30th November 1992	58,073	15,110	363	38	73,584
At 30th November 1991	58,812	15,954	1,019	105	75,890



NOTES TO THE ACCOUNTS

12. Tangible Fixed Assets (continued)

	Freehold investment properties £'000	Long leasehold investment properties £'000	Plant, machinery and equipment £'000	Total £'000
(b) Company				
<i>Cost or valuation</i>				
At 1st December 1991	—	4,429	126	4,555
Intra-group additions	3,540	—	—	3,540
Other additions	—	—	23	23
Intra-group disposals	(3,140)	—	—	(3,540)
Disposals	—	(95)	(45)	(140)
Deficit on revaluation	—	(339)	—	(339)
At 30th November 1992	—	3,995	104	4,099
At 1992 valuation	—	3,995	—	3,995
At cost	—	—	104	104
	—	3,995	104	4,099
<i>Depreciation</i>				
At 1st December 1991	—	—	102	102
Charge for the year	—	—	16	16
Disposals	—	—	(42)	(42)
At 30th November 1992	—	—	76	76
Net Book Value				
At 30th November 1992	—	3,995	28	4,023
At 30th November 1991	—	4,429	24	4,453

(c) Freehold and long leasehold investment properties, with the exception of two properties, were valued as at 30th November 1992 on the basis of open market value by King Sturge & Co, Chartered Surveyors. The Octagon Shopping Centre, Burton upon Trent was valued on the basis of open market value when fully let by Jones Lang Wootton, Chartered Surveyors. The directors have deducted from that value their estimate of the costs necessary to bring the property to a fully let state. An investment property in the course of development was valued by the directors at £305,000 (cost £295,000).

(d) Comparable amounts determined according to the historical cost convention are.

	Freehold investment properties £'000	Long leasehold investment properties £'000	Other long leasehold properties £'000	Plant, machinery and equipment £'000	Total £'000
Group					
Cost	59,558	10,612	363	496	71,029
Accumulated depreciation	—	—	—	(458)	(458)
At 30th November 1992	59,558	10,612	363	38	70,571
At 30th November 1991	54,934	10,707	1,019	105	66,765
Company					
Cost	—	3,738	—	104	3,842
Accumulated depreciation	—	—	—	(76)	(76)
At 30th November 1992	—	3,738	—	28	3,766
At 30th November 1991	—	3,846	—	24	3,870



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

13. Investment held as Fixed Assets

	Investment in related companies £'000	Investment in joint venture £'000	Total £'000
(a) Group			
At 1st December 1991	827	238	1,065
Additions	22	30	52
Share of post-tax losses	(63)	(12)	(75)
Revaluation	895	(127)	768
At 30th November 1992	1,681	129	1,810

	Investment in related company £'000	Investment in subsidiary companies £'000	Investment in joint venture £'000	Total £'000
(b) Company				
At 1st December 1991	—	28,280	238	28,518
Additions	22	—	30	52
Disposals	—	(22)	—	(22)
Revaluation	895	(2,149)	(139)	(1,393)
At 30th November 1992	917	26,109	129	27,155

(c) Subsidiary companies

At 30th November 1992, the principal subsidiaries, all of whom were registered and operate in England and Wales, were as follows:

	Proportion of ordinary shares held	Nature of principal business
Barton Property Investments Limited	100%	Property investors
Barton Property Investments (Northern) Limited	100%	Property investors
Blackpole Trading Estate (1978) Limited	100%	Property investors
Redman Heenan Properties Limited	100%	Property investors
St. Modwen Securities Limited	100%	Property investors
St. Modwen Developments (Octagon) Limited	100%	Property investors
St. Modwen Developments Limited	100%	Property developers
Uttoxeter Estates Limited (acquired 7th August 1992)	81%	Property developers

The company is also the beneficial owner of the entire issued share capital of a number of non-trading companies.

(d) Related Companies

At 30th November 1992, the related companies, which were registered and operate in England and Wales, were as follows:

	Percentage shareholding	Nature of principal business
Acton Gate Developments Limited (acquired 30th September 1992)	50%	Property developers
Clarke London Limited	45%	Property developers
Kingswood Park Limited (acquired 11th November 1992)	50%	Property developers
Uttoxeter Leisure and Development Company Limited	32%	Operators of Uttoxeter racecourse

The group disposed of part of its investment in Uttoxeter Leisure and Development Company Limited during the year. The investment is now treated as a related company.

(e) Joint Venture

The company has a 50% interest in a property development and investment joint venture with two private companies. The parties jointly own two properties in Birkenhead, one of which is income-producing and subject to a long-term mortgage.



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

14. Stocks

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Work in progress (including freehold land for development)	14,869	21,897	—	2,201
Consumables	4	5	—	—
	14,873	21,902	—	2,201
Invoiced on account	—	(1,785)	—	—
	14,873	20,117	—	2,201

Work in progress includes interest charges amounting to £0.1m (1991 - £0.2m).

15. Debtors

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	2,069	926	—	—
Amounts due from subsidiaries	—	—	30,154	9,825
Other debtors	1,199	1,137	994	611
Prepayments and accrued income	2	24	—	—
	3,270	2,087	31,148	10,436

16. Creditors and Accruals

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade creditors	5,459	8,820	—	—
Amounts due to subsidiaries	—	—	1,064	1,601
Corporation tax	567	1,256	238	219
Other taxation and social security	833	237	44	76
Other creditors	2,777	2,763	2,501	2,500
Accruals and deferred income	1,223	1,150	389	303
Proposed dividend	700	642	700	642
	11,559	14,868	4,936	5,341

17. Creditors: Amounts falling due after more than one year

Bank loans (a)	41,305	36,774	29,000	29,000
Other loan (b)	400	400	400	400
	41,705	37,174	29,400	29,400

(a) Analysis of bank loans repayments:

Between two and five years	41,305	36,774	29,000	29,000
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Bank loans are subject to variable interest rates based on LIBOR. The loans are secured on the assets of the group and, in part, by composite guarantees given by group companies.

(b) Other loan

The 8.5% Secured loan stock is secured on one of the group's investment properties and is due for repayment in March 1995.



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

18. Deferred Taxation

	Provided		Unprovided	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
The amounts of deferred taxation provided and unprovided in the accounts are:				
Group				
Capital allowances in excess of depreciation	—	7	4,042	3,261
Other timing differences	—	—	(37)	(33)
Available trading losses	—	—	(105)	(253)
Advance corporation tax	—	—	(38)	(55)
	—	7	3,862	2,920
Revaluation of properties	—	—	103	2,064
Less: available capital losses	—	—	(103)	(668)
	—	7	3,862	4,316
Company				
Capital allowances in excess of depreciation	—	—	1,390	1,137
Other timing differences	—	—	(3)	(3)
Available trading losses	—	—	(105)	(105)
	—	—	1,282	1,029
Revaluation of properties	—	—	—	51
Less: available capital losses	—	—	—	(51)
	—	—	1,282	1,029

19. Called up Share Capital

	1992	1991
	£'000	£'000
Authorised:		
30,000 6% (now 4.2% + tax credit) Cumulative first preference £1 shares	30	30
350,000 8.5% Cumulative redeemable second preference £1 shares	350	350
150,000,000 Ordinary 10p shares	15,000	15,000
	15,380	15,380
Allotted and fully paid:		
30,000 6% (now 4.2% + tax credit) Cumulative first preference £1 shares	30	30
326,448 8.5% Cumulative redeemable second preference £1 shares	326	326
	356	356
Ordinary 10p shares:		
116,721,114 Ordinary 10p shares	11,673	11,673
	12,029	12,029

- (a) The cumulative redeemable second preference shares may be redeemed at par by the company providing not less than three months' notice in writing is given to the holders. If not redeemed the shares are due to be repaid on 31st May 1996 at par.



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

19. Called up Share Capital (continued)

(b) Details of options at 30th November 1992 to acquire ordinary shares in the company under the option schemes were as follows:

	Price per share	Options granted	Exercisable after
The St. Modwen Properties Executive Share Option Scheme	60.00p	332,225	September 1990
The St. Modwen Properties Executive Share Option Scheme	39.00p	217,775	April 1991
The St. Modwen Properties Executive Share Option Scheme	40.00p	350,000	March 1992
The St. Modwen Properties Executive Share Option Scheme	31.00p	700,000	March 1993
The St. Modwen Properties Executive Share Option Scheme	25.50p	700,000	April 1994
The St. Modwen Properties Savings related scheme	34.00p	99,529	May 1994
The St. Modwen Properties Savings related scheme	26.00p	137,077	May 1995
The St. Modwen Properties Savings related scheme	21.00p	92,857	May 1996
The St. Modwen Properties Savings related scheme	20.50p	75,000	May 1997
		<u>2,704,463</u>	

20. Share Premium Account

	Group £'000	Company £'000
Balance at 1st December 1991 and 30th November 1992	8,034	8,034

21. Reserves

	Group £'000	Company £'000
(a) Merger reserve:		
Balance at 1st December 1991 and 30th November 1992	9	9
(b) Revaluation reserve:		
Balance at 1st December 1991	9,370	20,135
Deficit on revaluation of investment properties	(4,970)	(339)
Surplus/(deficit) arising on revaluation of investments	768	(2,973)
Transfer (to)/from profit and loss account	(1,042)	1,084
Balance at 30th November 1992	<u>4,126</u>	<u>17,907</u>

The group revaluation reserve at 30th November 1992 includes £767,664 in respect of related companies and its joint venture.

(c) Profit and loss account:

Balance at 1st December 1991	15,558	4,793
Surplus/(deficit) for the financial year	566	(324)
Transfer (from)/to revaluation reserve	1,042	(1,084)
Balance at 30th November 1992	<u>17,166</u>	<u>3,385</u>

The group profit and loss account at 30th November 1992 includes losses of £116,077 in respect of related companies and its joint venture.

The profit and loss account includes a special reserve of £86,163 established in accordance with an undertaking given to the Court in connection with the reduction of capital authorised on 12th March 1986 which is not available for distribution save in accordance with that undertaking.

No tax effect has been recognised in respect of the revaluation of investments in subsidiaries.

22. Capital Commitments

The group had capital commitments of £1,070,000 contracted but not provided for in the accounts at 30th November 1992 (1991 - £Nil).

23. Commitments and Contingencies

The company has guaranteed the loans and overdrafts of subsidiary companies, which at 30th November 1992 amounted to £17,704,188, and has granted a fixed charge over its investment properties as security.



St. MODWEN PROPERTIES PLC

NOTES TO THE ACCOUNTS

24. Group cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	1992	1991
	£'000	£'000
Operating profit	6,602	7,600
Depreciation	36	98
Profit on sale of investment properties	(405)	(49)
Increase in debtors	(1,117)	(24)
Reduction in stocks	5,244	16,717
Reduction in creditors	(3,076)	(901)
Share of losses of related companies after tax	75	58
Part disposal of subsidiary (see note 24(c))	(22)	—
Amortisation of goodwill	165	165
	7,502	23,664

(b) Analysis of changes in cash, cash equivalents and finance during the year

	Cash at bank and in hand £'000	Bank and other loans £'000	Net borrowings £'000
Balance at 1st December 1991	997	(40,674)	(39,677)
Movement during the year	(134)	(1,031)	(1,165)
Balance as at 30th November 1992	863	(41,705)	(40,842)

(c) Effect of part disposal of Urtoxeter Leisure and Development Company Limited as an investment:

	£'000
Reduction in other tangible assets	(678)
Reduction in stocks	(99)
Reduction in debtors	(40)
Reduction in creditors	230
Increase in cash and cash equivalents	565
	(22)

REPORT OF THE AUDITORS

TO THE MEMBERS OF ST. MODWEN PROPERTIES PLC

We have audited the accounts and notes on pages 20 to 32 in accordance with Auditing Standards.

In our opinion the accounts and notes give a true and fair view of the state of affairs of the company and of the group at 30th November 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co
TOUCHE ROSS & CO.

Chartered Accountants and Registered Auditor
Birmingham

16th February 1993



St. MODWEN PROPERTIES PLC

FIVE YEAR RECORD

	1992	1991	1990	1989	1988
	£'000	£'000	£'000	£'000	£'000
Turnover	18,491	45,111	23,798	37,242	17,289
Operating profit	6,602	7,600	8,396	10,684	6,015
Interest payable	4,895	(5,492)	(4,343)	(611)	(688)
Profit on Ordinary					
Activities before taxation	1,707	2,108	4,053	10,073	5,327
Taxation on ordinary activities	(412)	(102)	(1,272)	(2,871)	(1,266)
Profit on ordinary activities after taxation	1,295	2,006	2,781	7,202	4,061
Extraordinary items and minority interest	—	(4)	(2,149)	7	33
Profit attributable to shareholders	1,295	2,002	632	7,209	4,094
Dividends	(729)	(671)	(612)	(1,662)	(963)
Surplus transferred	566	1,331	20	5,547	3,131
Assets Employed					
Tangible fixed assets	73,584	75,890	63,664	48,984	35,653
Intangible assets	228	393	558	723	819
Investments	1,810	1,065	1,126	4,326	1,249
Net current assets	7,447	4,833	17,679	14,547	11,087
Non current liabilities	(41,705)	(37,181)	(38,550)	(20,669)	(14,245)
Minority interest	—	—	—	—	(93)
	41,364	45,000	44,477	47,911	34,470
Capital Employed					
Ordinary shareholders' funds	41,008	44,644	44,121	47,555	34,114
Preference share capital	356	356	356	356	356
	41,364	45,000	44,477	47,911	34,470
Net Assets per Share					
(pence)	35	38	38	41	29
Earnings per Share					
(pence)	1.1	1.7	2.3	6.2	3.5
Dividends per Share					
(pence)	0.6	0.55	0.5	1.4	0.8



St. MODWEN PROPERTIES PLC

NOTICE OF MEETING

Notice is hereby given that the fifty-second Annual General Meeting of St. Modwen Properties PLC will be held at 12.00 noon on 16th April 1993 at the Ironmongers' Hall, Barbican, London EC2Y 8AA, for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the report of the directors and the accounts for the year ended 30th November 1992.
2. To declare a final ordinary dividend.
3. To re-elect Mr P. E. Doona, Mr. C. C. A. Glossop and Sir David Trippier as directors.
4. To reappoint Touche Ross & Co. as auditors and to authorise the directors to determine their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

5. That:
 - (A) The directors shall have unconditional authority to allot any relevant securities (as defined in Section 80 of the Companies Act 1985) of the Company to such persons, at such times and generally on such terms and conditions as the directors may determine. The authority hereby conferred shall, subject to Section 80(7) of the Companies Act 1985, be for a period expiring on the 16th April 1998 unless renewed, varied or revoked by the Company in General Meeting and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be the authorised but as yet unissued share capital of the Company at the date hereof; and
 - (B) the directors shall be entitled under the authority conferred by paragraph (A) of this resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.

SPECIAL RESOLUTIONS

6. That, subject to the immediately foregoing ordinary resolution being passed:
 - (A) Subject to paragraph (B) of this resolution, the directors shall be empowered pursuant to Section 95(1) of the Companies Act 1985 for a period expiring on the 16th July 1993 to allot equity securities (as defined in Section 94 of the Companies Act 1985) of the Company pursuant to the authority conferred by paragraph (A) of the said ordinary resolution as if Section 89(1) of the Companies Act 1985 did not apply to such allotment and the directors shall be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power, provided that such power shall, subject as aforesaid, cease to have effect when the said authority is revoked or would, if not renewed, expire, but if that authority is renewed, the said power may also be renewed, for a period not longer than that for which the authority is renewed, by a special resolution of the Company passed in General Meeting; and
 - (B) without prejudice to the said authority the power contained in paragraph (A) of this resolution shall be limited:
 - (i) to the allotment (otherwise than pursuant to sub-paragraph (ii) below) of equity securities which are, or are to be, wholly paid up in cash up to an aggregate nominal amount of £600,000 and
 - (ii) to the allotment of equity securities in connection with a rights issue where it is reasonably necessary to allot equity securities otherwise than in accordance with Section 89(1) of the Companies Act 1985



St. MODWEN PROPERTIES PLC

NOTICE OF MEETING

SPECIAL RESOLUTIONS

7. That:
- in accordance with Article 10 of its Articles of Association and Section 166 of the Companies Act 1985, the Company be and is hereby granted general and unconditional authority to make market purchases (as defined in Section 163 of the Companies Act 1985) of any of its own ordinary shares on such terms and in such manner as the Board of Directors of the Company may from time to time determine PROVIDED THAT the general authority conferred by this Resolution shall:
- (a) be limited to 11,670,000 ordinary shares of 10p each;
 - (b) not permit the payment per share of more than 105% of the average middle market price quotation on the London Stock Exchange for the ordinary shares on the ten previous dealing days or less than 10p (in each case exclusive of advance corporation tax (if any) and expenses payable by the Company); and
 - (c) expire at the conclusion of the next Annual General Meeting of the Company, save that if the Company should before such expiry enter into a contract of purchase then the purchase may be completed or executed wholly or partly after such expiry.

By Order of the Board

P. E. DOONA

Secretary

Lyndon House,
Hagley Road,
Edgbaston,
Birmingham B16 8PE

16th February 1993

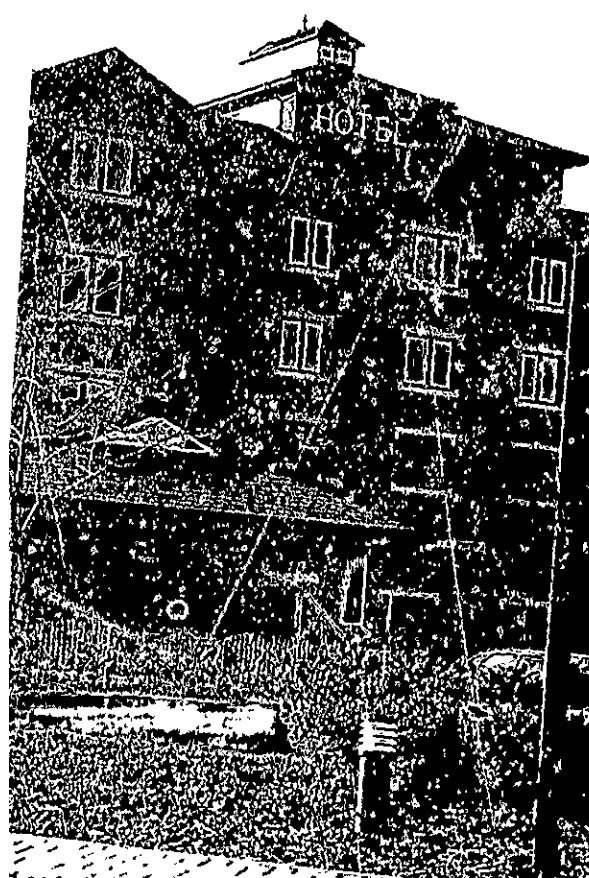
NOTES

1. A member entitled to attend and vote at this meeting may appoint another person (whether a member or not) as his/her proxy, to attend and, on a poll, vote for him/her. Forms of proxy, one of which is enclosed, must be signed by the appointor and must be lodged at the registrar's office at least 48 hours before the meeting. A proxy need not be a member of the Company.
2. A register of all transactions of each director and of his family interests in the share capital of the company and copies of the contracts of service between the company and Mr. S. W. Clarke, Mr. C. C. A. Glossop and Mr. P. E. Doona will be available for inspection at the Company's registered office during business hours from the date of this notice until the date of the Annual General Meeting and will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.



St. MODWEN PROPERTIES PLC

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MOAT HOUSE HOTEL

RESTAURANT BAR BANQUETING
CONFERENCE CENTRE



OPEN TO NON-RESIDENTS

Tel: 0782-219800

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
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Lydon House, Birmingham

