

## **SCAN UPON DEMAND**

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St. MODWEN  
PROPERTIES PLC

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*Report & Accounts*  
*1990*

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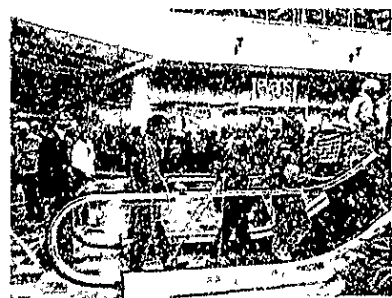
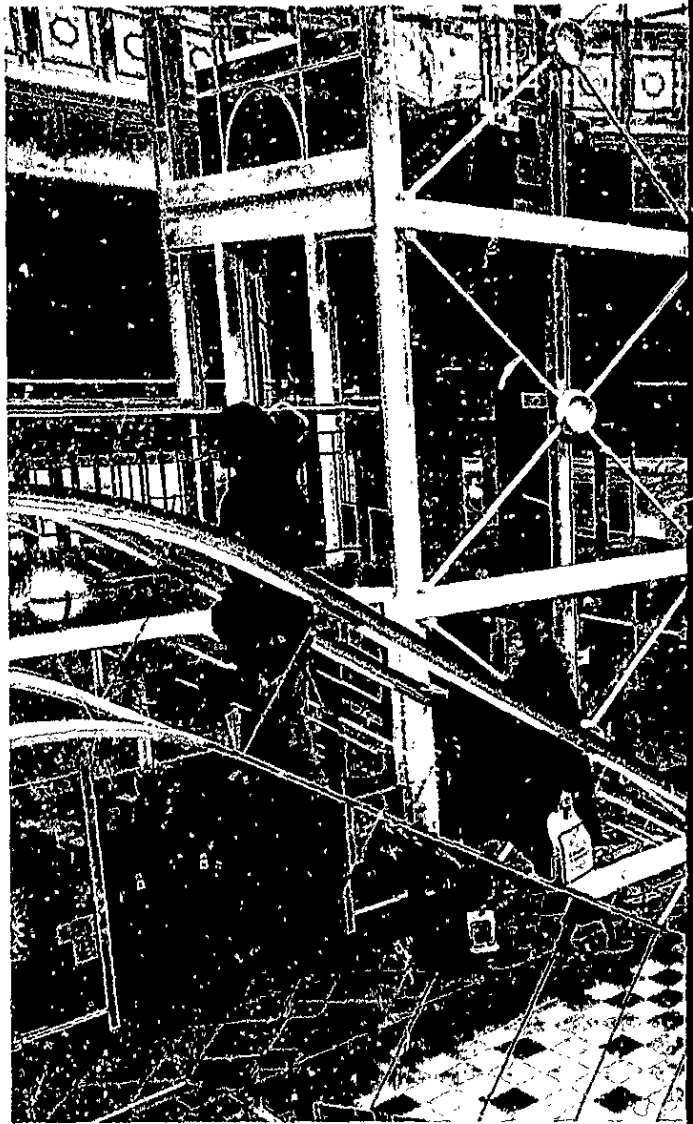
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## CHAIRMAN'S STATEMENT



Stanley W. Clarke, CBE, Chairman  
and C. C. Anthony Glossop, MA, Chief Executive

This has been the most difficult year in my thirty years' experience in the property business. The deterioration in the property market has affected adversely the sales of completed developments, resulting in a downturn in profits and higher borrowings.

In these conditions, the achievement of profits of £4.05 million (1989 £10.07 million) before taxation and extraordinary items confirms the board's policy of holding up the company's rent roll, which now stands at £5.2 million (1989 £3.8 million), and emphasises the quality and mix of its development programme.

We have taken action to concentrate our activities. Our investment in *Hard Investment and Property Holdings Limited* was sold and *Modwen's* guarantee to that company's bankers was reduced from £3.75 million to £2.5 million. Your board has decided that it would be prudent in the current climate to make a full provision against that guarantee in these accounts, and this is treated as an extraordinary item.

In view of the large number of premises being sold by the major brewers, a decision was made to cut back significantly the activities of *Leisure Living Limited* in the licensed trade sector of the market and this has been implemented.

As reported at the half year we have tightened our policy towards the capitalisation of interest and have only capitalised interest since then on the *Concord Business Park* which is the subject of a forward sale, and the *Octagon Shopping Centre, Burton-on-Trent*, where the value has been verified by an external valuation.

The board thought it appropriate to commission an external valuation of its investment property portfolio by *King & Co.* and *Jones Lang Wholton*. The result of the exercise showed that the company's portfolio had generally performed robustly, but overall there was a reduction in value of £3.5 million which was 6% of the total value, which now stands at £62.9 million.

Shareholders' funds at 30th November 1990 amounted to £44.5 million which compares with £47.9 million at 30th November 1989. Net assets per share now stand at 38p (1989 41p).

Reflecting its confidence in the future of the company, the board is recommending a dividend of 0.5p per ordinary share (1989 1.4p), to be paid on the 11th April 1991 to ordinary shareholders on the register at the close of business on the 19th March 1991.

### FINANCE

I am pleased to confirm that your company has the full backing of its principal banker, *National Westminster Bank PLC* and we are appreciative of their continuing support.

We have re-financed on a medium term basis the *Octagon Shopping Centre, Burton upon Trent* through the *Bankers Trust Company*, which has provided a five year loan. *Bankers Trust* has also arranged a five year interest rate swap for the company at a rate fixed below current short term rates.

Group borrowings have been reduced since the year-end by the receipt of £16 million of the £26 million *Concord Office Park* sale. A further £10 million will be received by mid 1991 when the final phase of the building work is due for completion.

With the exception of a £600,000 mortgage secured on an income-producing investment property in a joint venture, there are no off-balance sheet liabilities.

### APPRECIATION

As a substantial shareholder I share your undoubted disappointment in the year's results, but as chairman I wish to pay tribute to the hard work of all the management and staff. My special thanks go to the non-executive directors who have continued to provide their important contribution.

Despite the difficult conditions in the U.K. property market, I can assure you that management and staff are fully motivated and are committed to taking the company forward from its present position.

To you, our shareholders, I express my appreciation for your continued loyalty and support, and confirm that the Board is totally committed to a secure and successful future for your company.

### INVESTMENT PROPERTY REVIEW

The board's policy to increase the company's rental income is continuing. The annual rent-roll has increased 37% and now stands at £5.2 million (1989 £3.8 million).

At the year end the board decided to transfer the Octagon Shopping Centre, Burton upon Trent, to the company's investment property portfolio, as it was considered that the current market value of the property did not reflect its long term potential. The Centre is trading satisfactorily with some 30 units trading including a Beatties department store and a food court. Interest continues to be strong in the remaining units, reflecting its quality of design, location, and very competitive rents.

Rent reviews on our portfolio are being settled satisfactorily with further reviews to come through in 1991. We recognise that in recessionary times rental growth comes under pressure. However, in many instances, existing rents are based on low historic levels and we therefore anticipate, notwithstanding the present difficult economic climate, a substantial increase in the present rentals at review.

The policy of in-house management continues and has been extended to the Octagon Shopping Centre. The lead of investments, both in location and type, is illustrated on page 8 of this report.

### DEVELOPMENT REVIEW

Our policy of undertaking quality, small to medium size projects in addition to the larger, phased developments has enabled sales and lettings to continue, mainly to non-institutional purchasers. Realistic targets have been set for sales and lettings in all regions for the current year and we are confident that they will be achieved.

There is still a market for bespoke buildings on well located and environmentally satisfactory sites. We are able to service these requirements on development sites already in the ownership or control of the company. The company's resources are currently only being committed to such projects on a non-speculative basis.

Your company continues to secure agreements on well located tracts of land, the development of which will contribute to future profits.

### PROSPECTS

High interest rates and the downturn in economic activity will continue to affect the U.K. property market and margins will remain under pressure. However, your company has an increasing rent-roll, a spread of products throughout its regions of operations and a fully committed team of directors, management and staff.

With the sale of the Conford Business Park and other sales already secured, development turnover already exceeds that achieved in the whole of 1990. I am, therefore, looking forward to 1991 with some optimism and a determination to succeed.



Stanley W. Clarke



St. MODWEN PROPERTIES PLC



## OPERATIONAL REVIEW

The UK property market has changed dramatically in the past year. On the occupational side the hesitancy already evident in 1989 in the retail market and in the South East generally has spread to other sectors and regions. While some areas are still resilient and there is business to be obtained, it is undoubtedly far harder to attract good occupational interest.

The investment market was affected even more severely with yields deteriorating in some cases by two to three points and with purchasers, at times, almost non-existent.

St. Modwen has taken appropriate steps to reflect the changed circumstances, to conserve cash, to reduce gearing and to secure its future.

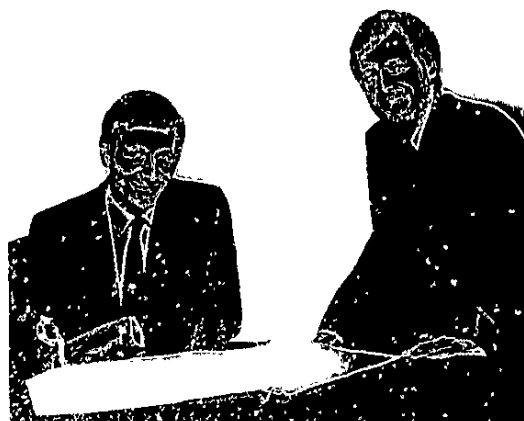
### **RESHAPING THE DEVELOPMENT PROGRAMME**

The emphasis within the programme has shifted from speculative build to bespoke developments; and site sales to owner/occupiers have played a more prominent role. The criteria for acceptability of schemes have also been tightened. In today's more difficult market it is clearly only the best schemes that are doing well. The merely average are finding life very hard.

The speculative development programme is now largely built. By Easter of 1991 there will be no construction taking place other than on bespoke schemes. Marketing of the existing completed developments that are not let or sold is being handled vigorously with the development surveyors playing a hands-on role. As a result, in the past year there was not a single scheme on which the Company failed to make progress in terms of sales or lettings and no sales or lettings were taken on terms that resulted in a loss on the transaction. It was also a source of some satisfaction that despite stringent scrutiny of likely realisable values, no provisions were felt necessary against development work in progress at the year end.

### **INCREASING EMPHASIS ON RENT ROLL**

St. Modwen's policy has always been to build up its rent roll in parallel with undertaking a quality development programme. The strength that this has given the company is seen in the year's results. The year saw a further substantial rise in the rent roll which now stands at £5.2m and further growth can be expected in the future.



Anthony Glossop, Chief Executive, with  
Paul Doona, Finance Director.

The decision was taken at the end of the year to retain the Shopping Centre at Burton upon Trent in the company's investment portfolio and specific medium term finance was arranged to support that. It is likely that in the current climate more developments will be held as investment properties when completed than has historically been the case. Until the investment market improves, the prices at which certain developments can be sold are unattractive and therefore justify the retention of such properties as investments.

### **CONCENTRATING ACTIVITIES**

During the year some of the other activities of the company were reviewed and a decision was taken to concentrate the scope of the company's operations. The 50% interest in Allied Investment & Property Holdings Limited was sold to the company's partner in that venture. The activities of the licensed trade operation, Leisure Living Limited, were reduced; only three properties remain, two of which have been let on commercial tenancies while the remaining one is trading profitably.

The remainder of the other operations of the Company prospered in the year. Uttoxeter Racecourse traded profitably and Clarke London Limited obtained planning approval for some 30,000 sq.ft. of office space on one of the last remaining undeveloped sites on the Thames waterfront between Southwark and London bridges. Clarke London, which has no borrowings, holds a number of long term development sites in this area, the first of which is currently being refurbished.



11/14/77  
11/14/77



## INVESTMENT PROPERTY REVIEW

The difficulties in the property development market have served to emphasise the advantages of a steady flow of rental income. The company's investment property portfolio has tended to be income orientated and has performed well in the year.

Rent reviews have been settled at satisfactory levels and have continued to provide good growth. Much of the portfolio is still let at rents that are considerably below current market levels and so, even if the next year or two sees little growth in market rents, the company's rent roll should continue to increase steadily.

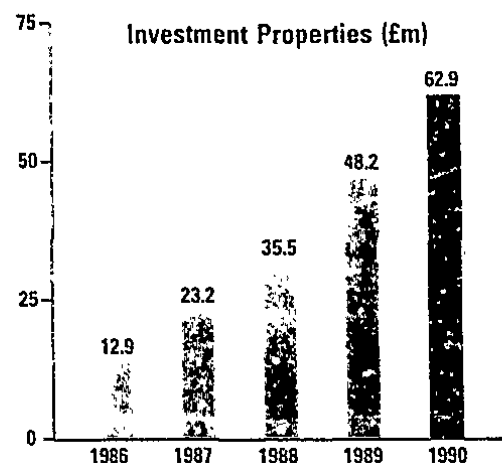
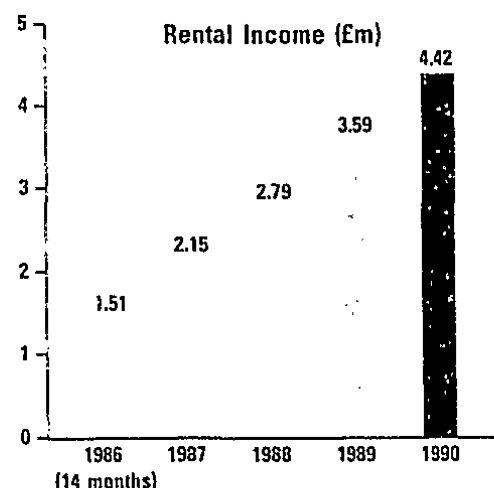
The existing portfolio was valued by King & Co., Chartered Surveyors, and the Octagon Shopping Centre was valued by Jones Lang Wootton, Chartered Surveyors. In general, values held up well with growth in rents balancing lower investment yields. The main areas of weakness lay in the South, where despite continued confidence in the rental values of the properties in the portfolio, sharp reductions in investment yields particularly with an eye on initial yields, did lead to some significant mark downs. The overall reduction of 6% was felt to compare well with the performance of other portfolios and reflected the defensive quality of a high yield income portfolio. While the company was not immune to the financial failure of tenants there was no significant adverse effect in the year from this cause. The rent roll includes a good proportion of first class covenants and arises from more than 250 tenants thus spreading and hence reducing the risk of loss of income.

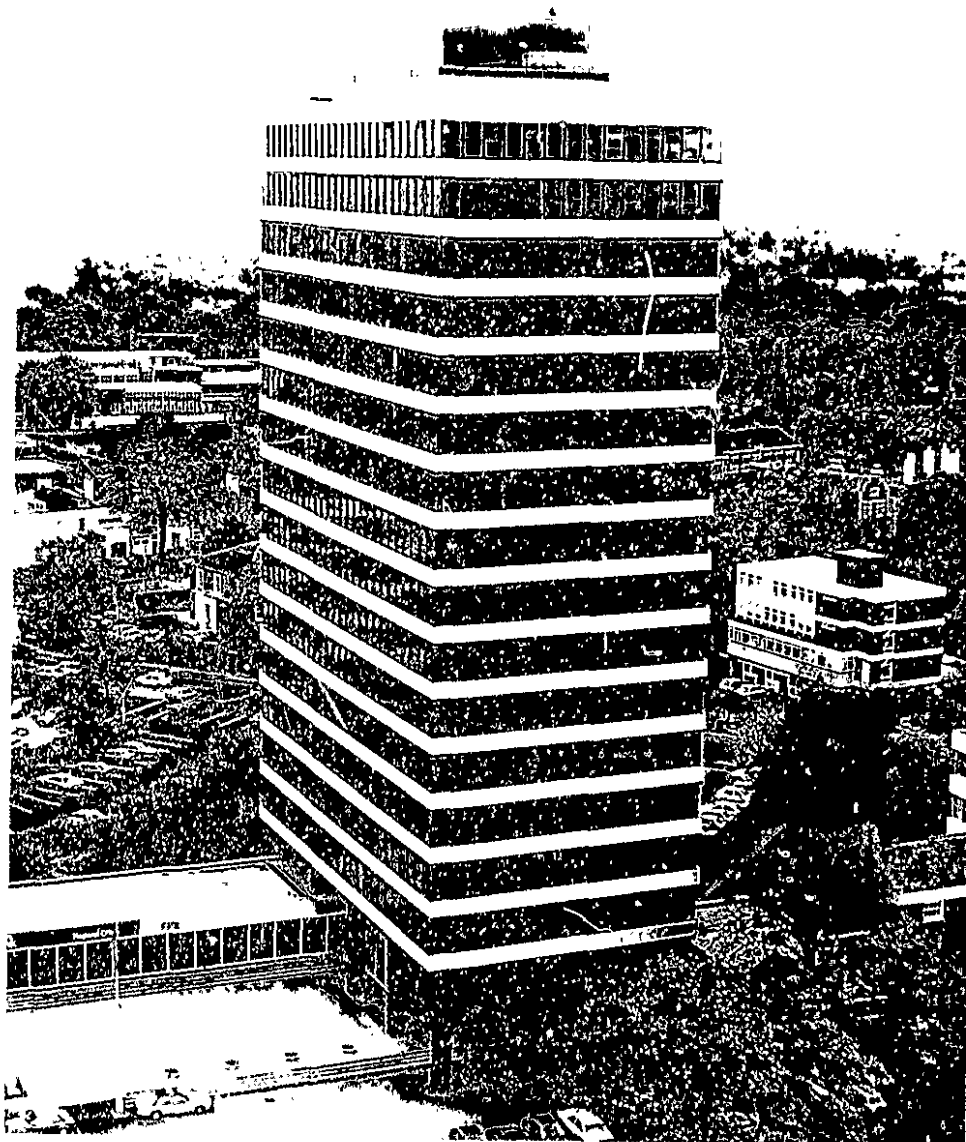
The properties are managed in house with considerable emphasis being placed on remaining in good contact with the tenants. This enables not only problems to be spotted and resolved at an early stage but also ensures that opportunities for enhancing the portfolio are followed up effectively.

At the end of the year it was decided to retain the Octagon Shopping Centre at Burton upon Trent as an investment in the company's portfolio. The 125,000 sq.ft. enclosed shopping mall is letting well despite the poor climate for retailers. More than thirty units are now trading including its anchor, a Beatties department store and a 200 seater food court.

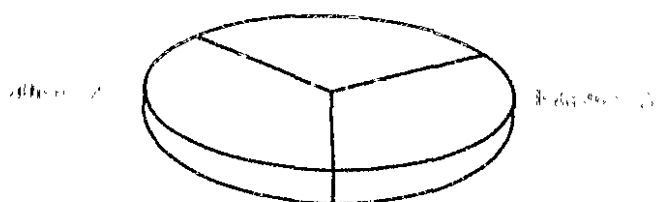
The Centre opened for trading in September and early response from customers is encouraging. Rents, which are based on £45 Zone A, are less than 60% of the best achieved in Burton. It is felt that when the Centre is fully established there are good prospects for rental growth.


Investment yields appear to have stabilised and there now is an active investment market even if in some cases it is at a level two or three points below those of the recent past. At these yields there is more justification to hold some of our development programme as investments. We are therefore taking the opportunity to review the entire portfolio of investment and development properties and when appropriate will dispose of existing investments to enable well let development properties to be held.





Investment Properties  
 By Region

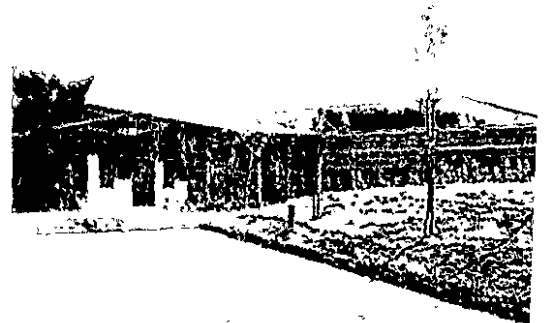
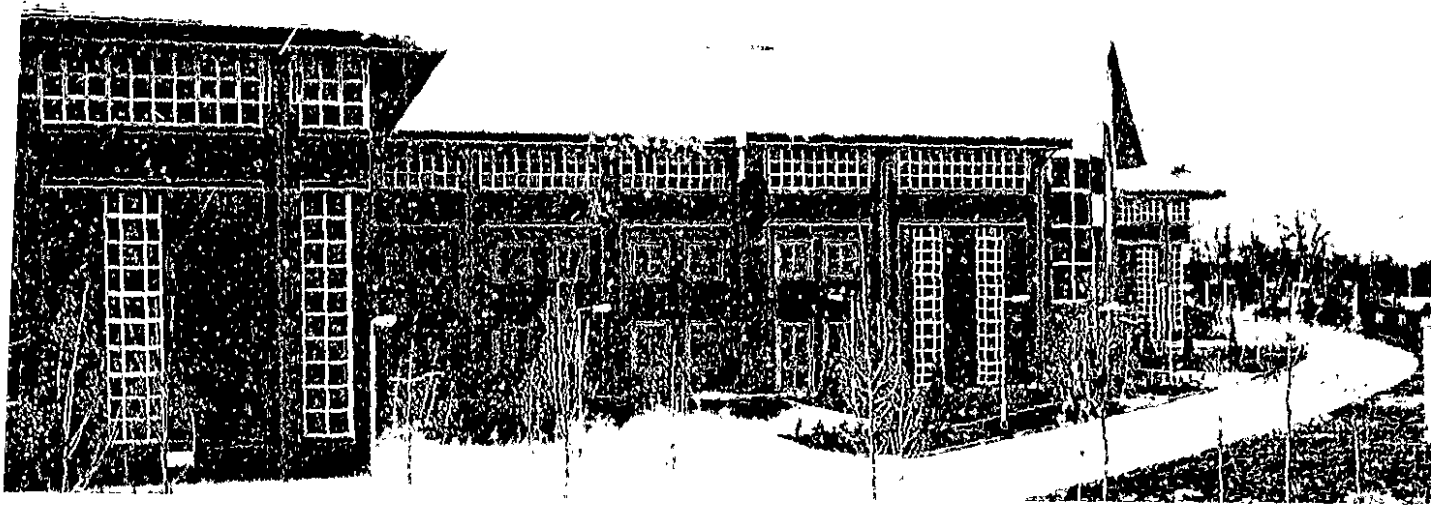


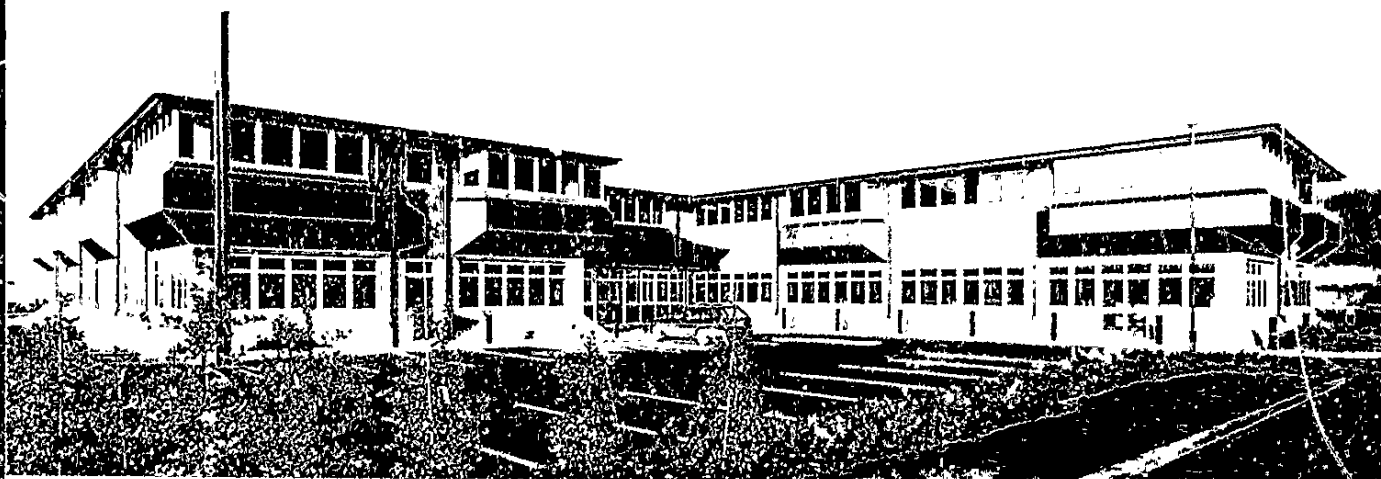
 **SWIRE AIRPORTS LTD**  
 A subsidiary of Swire Limited

## PRINCIPAL INVESTMENT PROPERTIES

	Tenure	sq ft.	Term Unexpired	Major Tenants (Parent Company in brackets where appropriate)
<b>INDUSTRIAL</b>				
Bear Road Industrial Estate, Tipton	F.H.	27,452		Redman Fisher Engineering (Cooper Industries)
Blackpole Trading Estate, Worcestershire	F.H.	995		Bristol St. Motors
Broomhill Way, Torquay (Warehouse)	F.H.	19,251		Hudson & Hill (Trusthouse Forte)
Brunswick Tce., Plymouth (Warehouse)	F.H.	3,350		Reed Decorative Products, Edmunds Walker
Glades, Festival Park, Stoke	F.H.	17,608	149 years	Multiple occupancy
Greet Industrial Estate, Birmingham	F.H.	22,347		Multiple occupancy
Gregorys Bank Ind. Est. (East), Worcester	F.H.	113,713	984 years	Fata, Froude Consine (FKI)
Gregorys Bank Ind. Est. (West), Worcester	F.H.	124,549		Froude Consine (FKI)
Shrub Hill Industrial Estate, Worcester	F.H.	287,416		Sec. of State for Social Services, Bass Leisure
Wingate Ind. Est., Welham Green, Herts.	F.H.	14,660		Hereford & Worcester County Council, Heenan Marley
Wolverhampton Road, Cannock	F.H.	14,915		Devalf Gear Co., S.L.D. Pumps
				Topcraft, Albion Pressed Metal (Thyssen)
				Lyngrid Products (BET)
<b>OFFICE</b>				
Eastcote, London	F.H.	17,000		Maxwell Business Communications
Kennington Park Road, London	F.H.	28,000		Sec. of State for Social Services
King Edward Court, Nottingham	F.H.	18,826		Sec. of State for Social Services
Lakeside, Stoke	F.H.	15,644	149 years	Co-operative Bank, Whitfield & Son
Lyndon House, Birmingham	F.H.	14,680	149 years	Girobank, National Mutual Life, Inco Alloys, Halcrow Staff & Services
Parkway, Plymouth	F.H.	17,505		Provident Mutual Life, Cannon Assurance, Independent Broadcasting Authority
Radcliffe House, Birmingham	F.H.	14,130	149 years	Sec. of State for the Environment
				Canon (U.K.), Radcliffe Communications Group
<b>RETAIL</b>				
Ascot Drive, Derby (Retail Warehouse)	F.H.	12,000	114 years	Stakeridge
Campbell House, Plymouth (Dept. Store)	F.H.	42,000		House of Fraser
Cavendish Arcade, Preston	F.H.	1,000		Speciality Shopping Centre
Hertford St., Coventry	F.H.	3,425		W.H. Smith
Infirmity Road, Sheffield (Supermarket)	F.H.	60,423		Safeway
Ironmarket, Newcastle-U-Lyme (Dept. Store)	F.H.	44,400		United Co-operative
Lichfield St., Burton (Retail Warehouse)	F.H.	100,000		STC (Pirelli)
Nicholas St., Weymouth (Retail Warehouse)	F.H.	17,750	114 years	Texas Homecare
Octagon Shopping Centre, Burton	F.H.	120,000		Beatties, Dorothy Perkins, Evans, Poundland
Osmaston Road, Derby (Retail Warehouse)	F.H.	20,000		Superdrug, Allsports, Athena, C. & J. Clark, Benson Shoes
Shrewsbury Mall, Rugeley	F.H.	9,600		Iceland, Sutcliffe Caterers (P. & O.), Changes
				Kwik-Save
				Wilkinsons

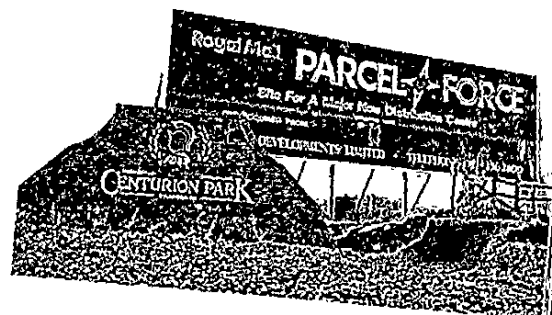






THE UNIVERSITY OF THE STATE OF NEW YORK

# DEVELOPMENT REVIEW

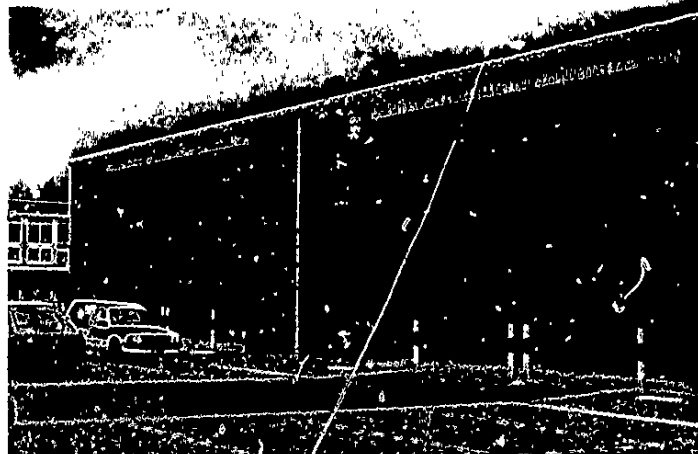


We have, however, been pleased by the level of interest for space at the Raynesway Park, Derby where ahead of practical completion a number of units are under offer.

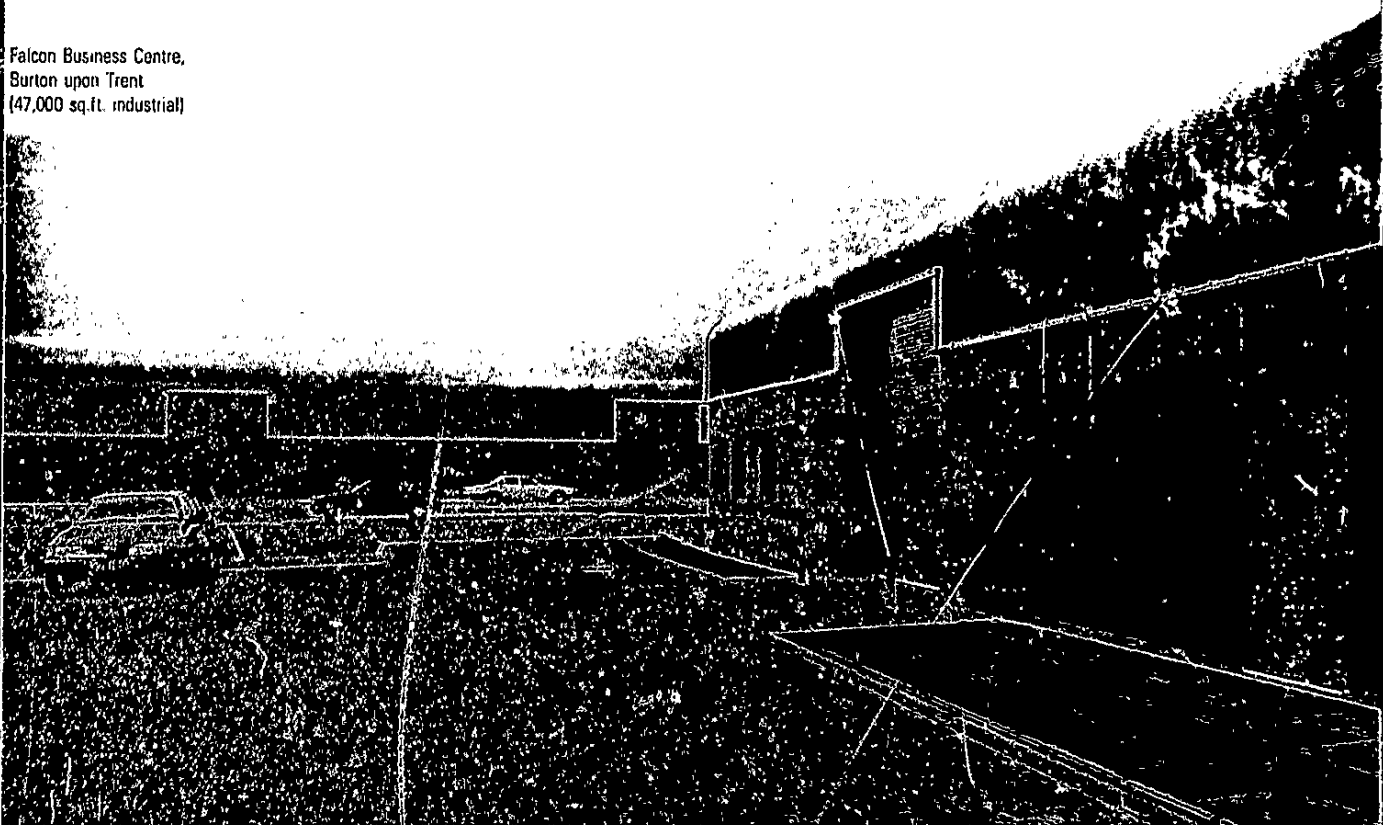
At the Orbital Centre, Cannock in Staffordshire the acquisition of the site was completed as was the sale of a supermarket site to Sainsburys. Since then two major contracts for earthworks and infrastructure have been executed so that the Company now has a fully serviced site available for 120,000 sq.ft. of non-food retail and 10 acres of serviced sites available for commercial/leisure development. This is in addition to the seven acre Industrial site acquired at the nearby Progress Business Centre, where infrastructure work will start this spring.

The Midlands Region benefits from the company's strong traditional links and, in addition to the developments mentioned, has a number of land development opportunities which can be progressed profitably even in the harsher development climate that exists today.

Falcon Business Centre,  
Burton upon Trent  
(47,000 sq.ft. industrial)



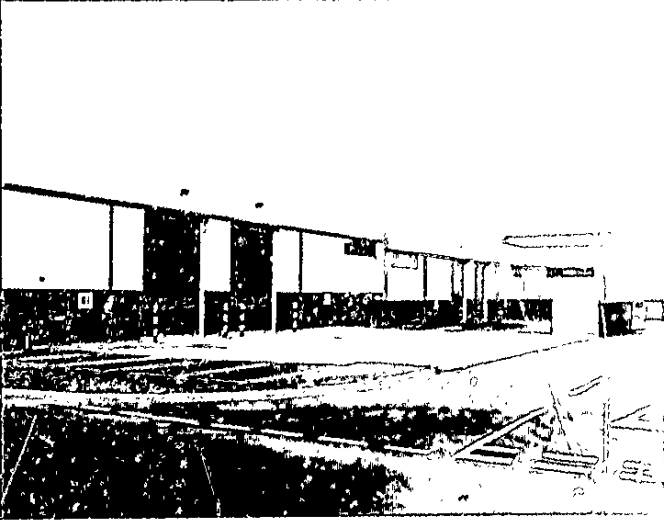
Saxon Business Park, Merton (33,700 sq ft. industrial)



St. MODWEN PROPERTIES PLC



## DEVELOPMENT REVIEW



## DIRECTORS

Stanley W. Clarke, CBL (*Chairman*)

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

Paul E. Doona, BA (Hons), FCA (*Finance and Company Secretary*)

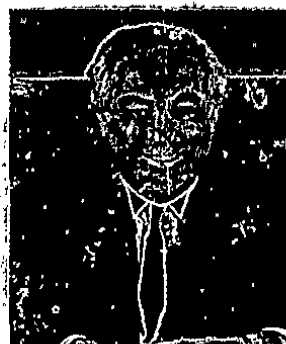
James D. Leavesley (*Non-Executive*)

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



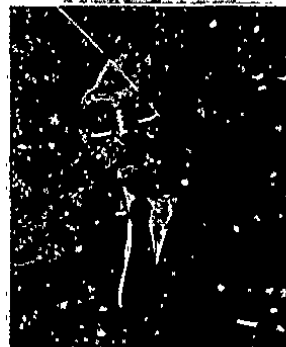
Clive H. Lewis, FRICS, FSVA (*Non-Executive*)

Appointed a Director in 1986. He is Senior Partner of Clive Lewis & Partners, Surveyors and Valuers, Deputy Chairman of the Merseyside Development Corporation, Chairman of RICS Journals Limited, a Director of Surveyors Holdings Limited, President FIABCI-CE, Immediate Past President of the General Practice Division of the RICS and a member of the General Council of the RICS.



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

Appointed a Director in 1987. He is a Chartered Accountant with 21 years' experience in Corporate Finance. He is a director of a number of other companies.



## PROFESSIONAL ADVISERS

### **Auditors**

Touche Ross & Co

### **Stockbrokers**

Rowe & Pitman Ltd

Smith, Keen & Cutler Ltd.

### **Registrars**

Lloyds Bank Plc,

Registrar's Department,

Goring-by-Sea, Worthing,

West Sussex BN12 6DA.

### **Bankers**

National Westminster Bank Plc



**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 1990.

### ACTIVITIES

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

### RESULTS AND DIVIDENDS

	1990	1989
	£'000	£'000
Profit on ordinary activities before taxation	4,053	10,073
Taxation	1,272	2,871
Profit on ordinary activities after taxation	2,781	7,202
Dividends paid and proposed were as follows		
Preference shares		
6% Cumulative first preference £1 shares	1	1
8.5% Cumulative redeemable second preference £1 shares	28	28
Ordinary 10p shares		
Final 0.5p (1989 1.4p) proposed	583	1,633
	612	1,662

A transfer of £20,000 is made to reserves

### REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

A review of developments is given in the operational review on pages 4 to 14. The Chairman comments on future prospects in his statement on pages 2 and 3.

### TANGIBLE FIXED ASSETS

Movements in the tangible fixed assets of the group are set out in note 13 to the accounts.

### SUBSTANTIAL INTERESTS

In addition to those noted below, the company has 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 three share option schemes in existence for employees. One is the Redman Heenan Executive Share Option Scheme for selected executive directors and selected senior executives of the group. It is not intended to grant any further options under this scheme. The second is a Savings Related Share Option Scheme for all full time UK employees of the group. The third is the St Modwen Properties Executive Share Option Scheme for selected senior executives.

Further details are provided in note 20 to the accounts.

## DIRECTORS AND THEIR INTERESTS

The names of the directors of the company are set out on page 15.

Mr. S. W. Clarke and Mr. C. E. Roshier will retire from the Board in accordance with the provisions of the company's Articles of Association and offer themselves for re-election.

Mr. S. W. Clarke has a contract of employment with the company which is terminable by either party giving not less than twelve months' written notice.

Mr. C. E. Roshier does not have a service contract with the company.

The interests of directors and their families were as follows:

	30th November 1990		30th November 1989	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Ordinary Shares				
S. W. Clarke	26,230,273	915,273	25,829,887	915,273
C. C. A. Glossop	357,117	—	360,387	—
P. E. Doona	27,200	—	20,200	—
J. D. Leavesley	9,238,263	4,791,626	8,337,878	4,791,626
C. H. Lewis	787,395	25,000	645,088	25,000
C. E. Roshier	10,000	—	10,000	—
8.5% Cumulative Redeemable Second Preference Shares				
C. C. A. Glossop	500	—	500	—

At 30th November 1990 Mr. C. C. A. Glossop and Mr. P. E. Doona held options under the executive and savings related share option schemes for 635,022 ordinary shares and 317,511 ordinary shares respectively.

Mr. C. H. Lewis, a non-executive director of the company, is senior partner of Clive Lewis & Partners, Surveyors and Valuers, which firm has acted as letting and selling agents for the company in its normal course of business.

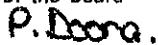
None of the other directors had any material interest in contracts with the group, being contracts of significance in relation to the group's activities.

## 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 re-appoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By Order of the Board  
  
 P. E. DOONA  
 Secretary  
 17th February 1991

Registered Office  
 Lyndon House  
 Hagley Road  
 Birmingham B16 8PE  
 Company Number 349201



**St. MODWEN PROPERTIES PLC**

# GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th NOVEMBER 1990

		1990	1989
	Note	£'000	£'000
<b>TURNOVER</b>	1	22,937	37,242
Cost of sales		11,377	23,832
<b>GROSS PROFIT</b>		11,560	13,410
Other operating income		344	250
Share of (losses)/profits of related companies and operations		(115)	269
Administrative and other operating expenses		(3,228)	(3,080)
Amortisation of goodwill	12	(165)	(165)
		(3,164)	(2,726)
<b>OPERATING PROFIT</b>		8,396	10,684
Interest payable	2	(4,343)	(611)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1 & 3	4,053	10,073
Taxation on profit on ordinary activities	6	(1,272)	(2,871)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		2,781	7,202
Minority Interest		(4)	7
Extraordinary items	7	(2,145)	—
<b>PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO SHAREHOLDERS</b>		632	7,209
Dividends	8	(612)	(1,662)
<b>TRANSFERRED TO RESERVES</b>	22	20	5,547
<b>EARNINGS PER ORDINARY SHARE</b>	9	2.3p	6.2p

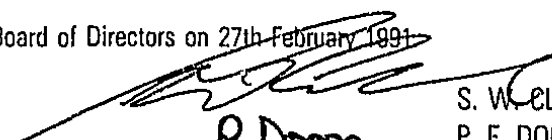
A statement of the movement in reserves may be found in note 22 on page 30.

# BALANCE SHEETS

At 30th NOVEMBER 1990

	Notes	Group		Company	
		1990	1989	1990	1989
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	12	558	723	—	—
Tangible assets	13	63,664	48,984	1,948	3,196
Investments	14	1,126	4,326	30,186	38,516
		<u>65,348</u>	<u>54,033</u>	<u>32,134</u>	<u>41,712</u>
<b>CURRENT ASSETS</b>					
Stocks	15	50,798	31,949	—	—
Debtors	16	2,063	3,154	15,483	4,555
Cash at bank and in hand		481	—	34,122	25,471
		<u>53,342</u>	<u>35,103</u>	<u>49,605</u>	<u>30,026</u>
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year					
Bank overdrafts (secured)		18,527	4,000	—	—
Creditors and accruals	17	17,136	16,556	7,862	3,427
		<u>35,663</u>	<u>20,556</u>	<u>7,862</u>	<u>3,427</u>
Net current assets		<u>17,679</u>	<u>14,547</u>	<u>41,743</u>	<u>26,599</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>83,027</u>	<u>68,580</u>	<u>73,877</u>	<u>68,311</u>
Creditors: amounts falling due after more than one year	18	(38,343)	(20,669)	(29,400)	(20,400)
Deferred taxation	19	(207)	—	—	—
Net assets		<u>44,477</u>	<u>47,911</u>	<u>44,477</u>	<u>47,911</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20	12,029	12,029	12,029	12,029
Share premium account	21	8,034	8,034	8,034	8,034
Merger reserve	22	9	9	9	9
Revaluation reserve	22	11,534	15,765	22,406	26,787
Profit and loss account	22	12,871	12,074	1,999	1,052
SHAREHOLDERS' FUNDS		<u>44,477</u>	<u>47,911</u>	<u>44,477</u>	<u>47,911</u>

The financial statements were approved by the Board of Directors on 27th February 1991

  
P. Doona.  
S. W. CLARKE  
P. E. DOONA  
Directors



St. MODWEN PROPERTIES PLC

# GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1990		1989	
	£'000	£'000	£'000	£'000
<b>SOURCE OF FUNDS</b>				
Profit before tax and extraordinary items		4,053		10,073
Extraordinary items		(2,145)		—
		<u>1,908</u>		<u>10,073</u>
Adjustment for items not involving the movement of funds:				
Share of profits, as adjusted for dividends received, of related companies and ventures	6		178	
Amortisation of goodwill	165		165	
Depreciation	110		109	
Profit on sale of investment properties	(344)		(250)	
Adjustments arising from revaluation of subsidiary	—		(50)	
		<u>(63)</u>		<u>152</u>
		1,845		10,225
Sale of properties		3,176		2,011
Disposal of investment in related company		3,441		—
Issue of shares		—		3
Sale of plant, machinery and equipment		16		43
Net decrease/(increase) in other assets/liabilities		2,207		(193)
		<u>10,685</u>		<u>12,089</u>
<b>APPLICATION OF FUNDS</b>				
Related companies and joint ventures	247		3,255	
Properties	21,056		7,183	
Plant, machinery and equipment	36		219	
Development work in progress	18,849		16,899	
Tax	555		845	
Dividends	1,662		963	
		<u>42,405</u>		<u>29,364</u>
<b>NET APPLICATION OF FUNDS</b>		<u>(31,720)</u>		<u>(17,275)</u>
<b>REPRESENTED BY:</b>				
Increase in net borrowings		<u>31,720</u>		<u>17,275</u>

## ACCOUNTING POLICIES

### 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 1990. 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 non-distributable 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 the revaluation reserve.

### 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.



St. MODWEN PROPERTIES PLC



## 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:-

	1990		1989	
	Turnover £'000	Gross profit £'000	Turnover £'000	Gross profit £'000
Net rental income from investment properties	4,418	4,418	3,593	3,593
Property development	17,476	6,490	32,496	9,184
Other activities	1,043	652	1,153	633
	<u>22,937</u>	<u>11,560</u>	<u>37,242</u>	<u>13,410</u>
Other operating income (see note 3 below)		344		250
Share of (losses)/profits of related companies and joint ventures		(115)		269
Administrative and other operating expenses		(3,228)		(3,080)
Amortisation of goodwill		(165)		(165)
		<u>8,396</u>		<u>10,684</u>
Interest payable		(4,343)		(611)
Profit on ordinary activities before taxation		<u>4,053</u>		<u>10,073</u>

### 2. INTEREST PAYABLE

	1990	1989
	£'000	£'000
Interest payable		
Bank loans and overdrafts	6,641	1,978
8.5% Unsecured loan stock 1994	—	28
8.5% Secured loan stock 1995	34	34
	<u>6,675</u>	<u>2,040</u>
Interest receivable	(335)	(241)
	<u>6,340</u>	<u>1,799</u>
Transferred to Work in Progress	(688)	(1,188)
Charged to cost of sales	(75)	—
Transferred to Investment Properties	(1,234)	—
	<u>4,343</u>	<u>611</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	110	109
Directors' remuneration (see note 4)	330	361
Auditors' remuneration	40	37
Profit on sale of investment properties	(344)	(250)

### 4. DIRECTORS' REMUNERATION

Salaries and fees	328	359
Pension to former director	2	2
	<u>330</u>	<u>361</u>
Remuneration of the chairman and highest paid director	<u>130</u>	<u>130</u>

Scale of other directors' remuneration:

	Number	Number
£ 5,001 - £ 10,000	—	3
£ 10,001 - £ 15,000	3	—
£ 50,001 - £ 55,000	1	—
£ 55,001 - £ 60,000	—	1
£ 80,001 - £ 85,000	1	—
£100,001 - £105,000	—	1

## 4. EMPLOYEES

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

	1990	1989
	Number	Number
Administration	14	15
Property Management	17	9
Property Development	20	21
Other Activities	10	13
	<u>61</u>	<u>58</u>

The aggregate payroll costs of these persons were:

	£'000	£'000
Wages and salaries	1,293	1,280
Social security costs	135	131
	<u>1,428</u>	<u>1,411</u>

Remuneration of senior employees which falls within the following ranges:

£30,001 - £ 35,000  
£35,001 - £ 40,000  
£40,001 - £ 45,000  
£45,001 - £ 50,000  
£50,001 - £ 55,000  
£60,001 - £ 65,000  
£65,001 - £ 70,000  
£70,001 - £ 75,000  
£95,001 - £100,000

	1990	1989
	Number	Number
	2	3
	3	1
	1	1
	—	1
	2	1
	1	1
	1	—
	—	1
	—	1

## 5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year comprises:

Corporation tax on the profit for the year at 35% (1989 - 35%)  
Share of taxation of related company  
Deferred tax

	£'000	£'000
	1,239	2,776
	(39)	95
	102	—
	<u>1,302</u>	<u>2,871</u>
	(135)	—
	105	—
	<u>1,272</u>	<u>2,871</u>

Adjustments in respect of previous years:

Corporation tax  
Deferred tax

At 30th November 1990 the group had available unused advance corporation tax previously written off of approximately £8,000 (1989 - £62,000).

## 6. EXTRAORDINARY ITEMS

Costs and provision in respect of disposal of investment in related company  
Surplus remitted on closure of pension fund

	1990	1989
	£'000	£'000
	2,731	—
	(469)	—
	<u>2,262</u>	<u>—</u>
	(117)	—
	<u>2,145</u>	<u>—</u>

Tax on extraordinary items — corporation tax



St. MODWEN PROPERTIES PLC

## NOTES TO THE ACCOUNTS

### CONTINUED

#### 8. DIVIDENDS

Ordinary 10p shares - proposed final dividend of 0.5p (1989 - 1.4p) per share  
 6% Cumulative first preference £1 shares  
 8.5% Cumulative redeemable second preference £1 shares

1990	1989
£'000	£'000
583	1,633
1	1
28	28
<b>612</b>	<b>1,662</b>

#### 9. EARNINGS PER SHARE

Earnings per ordinary share are calculated by dividing the profit, before extraordinary items, attributable to ordinary shareholders of £2,748,513 (1989 - £7,180,000) by the weighted average number of ordinary shares in issue during the year of 116,721,114 shares (1989 - 116,696,448 shares).

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

#### 10. PROFIT OF PARENT COMPANY

As permitted by Section 228(7) 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 £165,000 (1989 - £715,000).

#### 11. 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.

#### 12. INTANGIBLE FIXED ASSETS

##### Cost

Balance at 1st December 1989 and 30 November 1990

##### Accumulated depreciation

Balance at 1st December 1989

Charge for the year

Balance at 30th November 1990

##### Net book value

At 30th November 1990

At 30th November 1989

##### Goodwill £'000

1,318

595

165

760

558

723

### 3. TANGIBLE FIXED ASSETS

	Freehold investment properties £'000	Long leasehold investment properties £'000	Other long leasehold properties £'000	Plant, machinery and equipment £'000	Total £'000
<b>a) GROUP</b>					
<i>Cost or valuation</i>					
At 1st December 1989	35,958	12,257	501	594	49,310
Additions	4,142	—	75	36	4,253
Transfers from work in progress	16,082	757	—	—	16,839
Deficit/surplus on revaluation	(3,625)	171	—	—	(3,454)
Disposals	(2,717)	(115)	—	(36)	(2,868)
At 30th November 1990	49,840	13,070	576	594	64,080
At 1990 valuation	49,840	13,070	—	—	62,910
At cost	—	—	576	594	1,170
	49,840	13,070	576	594	64,080
<i>Depreciation</i>					
At 1st December 1989	—	—	—	326	326
Charge for the year	—	—	—	110	110
Disposals	—	—	—	(20)	(20)
At 30th November 1990	—	—	—	416	416
<b>NET BOOK VALUE</b>					
At 30th November 1990	49,840	13,070	576	178	63,664
At 30th November 1989	35,958	12,257	501	268	48,984

	Freehold investment properties £'000	Long leasehold investment properties £'000	Plant, machinery and equipment £'000	Total £'000
<b>b) COMPANY</b>				
<i>Cost or valuation</i>				
At 1st December 1989	1,350	1,775	123	3,248
Intra-group additions	1,485	—	—	1,485
Intra-group disposals	(1,350)	—	—	(1,350)
Other additions	—	—	3	3
Other disposals	(1,485)	—	—	(1,485)
Surplus on revaluation	—	125	—	125
At 30th November 1990	—	1,900	126	2,026
At 1990 valuation	—	1,900	—	1,900
At cost	—	—	126	126
	—	1,900	126	2,026
<i>Depreciation</i>				
At 1st December 1989	—	—	52	52
Charge for the year	—	—	26	26
Disposals	—	—	—	—
At 30th November 1990	—	—	78	78
<b>NET BOOK VALUE</b>				
At 30th November 1990	—	1,900	48	1,948
At 30th November 1989	1,350	1,775	71	3,196



St. MODWEN PROPERTIES PLC

## NOTES TO THE ACCOUNTS

### CONTINUED

#### 13. TANGIBLE FIXED ASSETS (CONTINUED)

(c) Freehold and long leasehold investment properties were valued as at 30th November 1990. The valuations, with the exception of the Octagon Shopping Centre, Burton upon Trent, were carried out on the basis of open market value by King & Co., Chartered Surveyors. The former property was valued on the basis of open market value when fully let and complete 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 and complete state.

(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
<b>GROUP</b>					
Cost	43,117	8,238	576	594	52,525
Accumulated depreciation	—	—	—	(416)	(416)
At 30th November 1990	<u>43,117</u>	<u>8,238</u>	<u>576</u>	<u>178</u>	<u>52,109</u>
At 30th November 1989	<u>24,989</u>	<u>7,596</u>	<u>501</u>	<u>268</u>	<u>33,354</u>
<b>COMPANY</b>					
Cost	—	702	—	126	828
Accumulated depreciation	—	—	—	(78)	(78)
At 30th November 1990	<u>—</u>	<u>702</u>	<u>—</u>	<u>48</u>	<u>750</u>
At 30th November 1989	<u>662</u>	<u>702</u>	<u>—</u>	<u>71</u>	<u>1,435</u>

#### 14. INVESTMENTS HELD AS FIXED ASSETS

	Investment in related companies £'000	Investment in joint venture £'000	Total £'000
(a) THE GROUP			
At 1st December 1989	4,326	—	4,326
Disposed of during the year	(3,441)	—	(3,441)
Acquired during the year	—	247	247
Revaluation	—	(6)	(6)
At 30th November 1990	<u>885</u>	<u>241</u>	<u>1,126</u>

	Investment in subsidiary companies £'000	Investment in related companies £'000	Investment in joint venture £'000	Total £'000
(b) THE COMPANY				
At 1st December 1989	34,190	4,326	—	38,516
Disposed of during the year	32	(4,326)	—	(4,294)
Acquired during the year	—	—	247	247
Provision	(559)	—	—	(559)
Revaluation	(3,718)	—	(6)	(3,724)
At 30th November 1990	<u>29,945</u>	<u>—</u>	<u>241</u>	<u>30,186</u>

#### 4. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

##### a) Subsidiary companies

At 30th November 1990, the principal subsidiaries, all of whom were incorporated and operate in the United Kingdom, were as follows:

	Percentage shareholding	Nature of principal business
Carton Property Investments Limited	100%	Property investors
Carton Property Investments (Northern) Limited	100%	Property investors
Jackpole Trading Estate (1978) Limited	100%	Property investors
Edman 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
Leisure Living Limited	75%	Leisure development and management
Uttoxeter Leisure and Development Company Limited	81%	Property developers and operator of Uttoxeter racecourse

In 21st December 1990 the company acquired the remaining 25% of the shareholding in Leisure Living Limited.

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

##### b) Related Company

At 30th November 1990, the related company, which was incorporated and operates in the United Kingdom was as follows:

	Percentage shareholding	Nature of principal business
Clarke London Limited	45%	Property developers

##### c) Joint Venture

The company acquired during the year 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.

#### 5. STOCKS

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Work in progress (including freehold land for development)	50,978	31,928	—	—
Consumables	11	21	—	—
	50,989	31,949	—	—
Invoiced on account	(191)	—	—	—
	50,798	31,949	—	—

Work in progress includes interest charges amounting to £1.4m (1989 - £1.2m).

#### 6. DEBTORS

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,043	1,331	—	—
Amounts due from subsidiaries	—	—	15,059	3,915
Other debtors	991	1,803	424	640
Repayments and accrued income	29	20	—	—
	2,063	3,154	15,483	4,555



St. MODWEN PROPERTIES PLC

# NOTES TO THE ACCOUNTS

CONTINUED

## 17. CREDITORS AND ACCRUALS

	Group		Company	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	7,748	9,694	—	—
Amounts due to subsidiaries	—	—	1,791	681
Corporation tax	3,779	3,590	1,411	545
Other taxation and social security	44	65	44	41
Other creditors	2,785	54	2,552	12
Accruals and deferred income	2,197	1,520	1,481	515
Proposed dividend	583	1,633	583	1,633
	<u>17,136</u>	<u>16,556</u>	<u>7,862</u>	<u>3,427</u>

## 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Deferred consideration for land purchases	—	269	—	—
Bank loans (a)	37,943	20,000	29,000	20,000
Other loan (b)	400	400	400	400
	<u>38,343</u>	<u>20,669</u>	<u>29,400</u>	<u>20,400</u>
(a) Analysis of bank loan repayments:				
Between one and two years	3,500	—	—	—
Between two and five years	34,443	20,000	29,000	20,000
	<u>37,943</u>	<u>20,000</u>	<u>29,000</u>	<u>20,000</u>

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.

## 19. DEFERRED TAXATION

	Provided		Unprovided	
	1990	1989	1990	1989
	£'000	£'000	£'000	£'000
The amounts of deferred taxation provided and unprovided in the accounts are:				
GROUP				
Capital allowances in excess of depreciation	7	—	902	859
Other timing differences	200	—	273	419
Available trading losses	—	—	(112)	(112)
Advance corporation tax	—	—	(58)	(62)
	<u>207</u>	<u>—</u>	<u>1,005</u>	<u>1,104</u>
Revaluation of properties	—	—	2,747	4,561
Less: available capital losses	—	—	(231)	(1,005)
	<u>207</u>	<u>—</u>	<u>3,521</u>	<u>4,660</u>
COMPANY				
Capital allowances in excess of depreciation	—	—	170	173
Other timing differences	—	—	(3)	779
Available trading losses	—	—	(112)	(112)
	<u>—</u>	<u>—</u>	<u>55</u>	<u>840</u>
Revaluation of properties	—	—	231	376
Less: available capital losses	—	—	(231)	(376)
	<u>—</u>	<u>—</u>	<u>55</u>	<u>840</u>

## 20. CALLED UP SHARE CAPITAL

Authorised:  
 30,000 6% (now 4.2% + tax credit) Cumulative first preference £1 shares  
 350,000 8.5% Cumulative redeemable second preference £1 shares  
 150,000,000 Ordinary 10p shares

1990	1989
£'000	£'000
30	30
350	350
15,000	15,000
<u>15,380</u>	<u>15,380</u>

Allotted and fully paid:  
 30,000 6% (now 4.2% + tax credit) Cumulative first preference £1 shares  
 326,448 8.5% Cumulative redeemable second preference £1 shares

30	30
326	326
<u>356</u>	<u>356</u>

Ordinary 10p shares:  
 Balance brought forward 116,721,114 Ordinary 10p shares  
 Issued during the year

11,673	11,670
—	3
<u>11,673</u>	<u>11,673</u>
<u>12,029</u>	<u>12,029</u>

Balance carried forward 116,721,114 Ordinary 10p shares

- (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.
- (b) Details of options at 30th November 1990 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	382,225	September 1990
The St. Modwen Properties Executive Share Option Scheme	39.00p	267,775	April 1991
The St. Modwen Properties Executive Share Option Scheme	40.00p	500,000	March 1992
The St. Modwen Properties Executive Share Option Scheme	31.00p	1,250,000	March 1993
The St. Modwen Properties Savings related scheme	34.00p	123,875	May 1994
The St. Modwen Properties Savings related scheme	26.00p	235,381	May 1995
		<u>2,759,256</u>	

## 21. SHARE PREMIUM ACCOUNT

Balance at 1st December 1989 and 30th November 1990

Group £'000	Company £'000
<u>8,034</u>	<u>8,034</u>



St. MODWEN PROPERTIES PLC



## NOTES TO THE ACCOUNTS

### CONTINUED

#### 22. RESERVES

	Group £'000	Company £'000
(a) Merger reserve		
Balance at 1st December 1989 and 30th November 1990	9	9
(b) Revaluation reserve.		
Balance at 1st December 1989	15,765	26,787
(Deficit)/surplus on revaluation of investment properties	(3,454)	125
Deficit arising on revaluation of investments	—	(3,724)
Transfer to profit and loss account	(777)	(782)
Balance at 30th November 1990	<u>11,534</u>	<u>22,406</u>
(c) Profit and loss account.		
Balance at 1st December 1989	12,074	1,052
Surplus for the financial year	20	165
Transfer from revaluation reserve	777	782
Balance at 30th November 1990	<u>12,871</u>	<u>1,999</u>

The profit and loss account includes a special reserve of £80,933 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.

#### 23. CAPITAL COMMITMENTS

The group had no capital commitments at 30th November 1990 (1989: £Nil)

#### 24. COMMITMENTS AND CONTINGENCIES

The company has guaranteed the loans and overdrafts of subsidiary companies, which at 30th November 1990 amounted to £52,653,013, and has granted a fixed charge over its investment property as security.

## REPORT OF THE AUDITORS

#### TO THE MEMBERS OF ST. MODWEN PROPERTIES PLC.

We have audited the accounts and notes on pages 18 to 30 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 1990 and of the profit and source and application of funds 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

27th February 1991

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of St. Modwen Properties PLC will be held at 12.00 noon on 9th April 1991 at the Connaught Rooms, London EC2V 8AA, for the following purposes

### ORDINARY BUSINESS

To receive and adopt the report of the directors and the accounts for the year ended 30th November 1990.

To declare a final ordinary dividend

To re-elect Mr. S. W. Clarke CBE and Mr. C. F. Roshier as directors.

To re-appoint Touche Ross & Co. as auditors and to authorise the directors to fix their remuneration.

### SPECIAL BUSINESS

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

### ORDINARY RESOLUTIONS

That:

(A) The directors shall have unconditional authority to allot any relevant securities (as defined in Section 80 of the Companies Act 1985) or 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 9th April 1996 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 9th April 1992 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.

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,



St. MODWEN PROPERTIES PLC

## NOTICE OF MEETING

### CONTINUED

- (iv) not permit the payment per share of more than 105% of the average middle market price quotation on The International Stock Exchange London 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.

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By Order of the Board

P. E. DOONA

*Secretary*

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

27th February 1991

### 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 appointer and must be lodged at the registrars' 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 Glossep 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.

## FIVE YEAR RECORD

	1990	1989	1988	1987	1986
	£'000	£'000	£'000	£'000	(14 mths) £'000
<b>TURNOVER</b>	<b>23,798</b>	<b>37,242</b>	<b>17,289</b>	<b>13,096</b>	<b>12,177</b>
Operating profit	8,396	10,684	6,015	3,470	2,037
Interest payable	(4,343)	(611)	(688)	(854)	(960)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>4,053</b>	<b>10,073</b>	<b>5,327</b>	<b>2,616</b>	<b>1,077</b>
Taxation on ordinary activities	(1,272)	(2,871)	(1,266)	(262)	(133)
Profit on ordinary activities after taxation	2,781	7,202	4,061	2,354	944
Extraordinary items and minority interest	(2,149)	7	33	—	—
Profit attributable to shareholders	632	7,209	4,094	2,354	944
Dividends	(612)	(1,662)	(963)	(612)	(161)
Surplus transferred	20	5,547	3,131	1,742	783
<b>ASSETS EMPLOYED</b>					
Tangible fixed assets	63,664	48,984	35,653	23,207	12,952
Intangible assets	558	723	819	1,053	1,218
Investments	1,126	4,326	1,249	47	—
Net current assets	17,679	14,547	11,087	11,749	3,377
Non current liabilities	(38,550)	(20,669)	(14,245)	(12,015)	(5,220)
Minority interest	—	—	(93)	—	—
	<b>44,477</b>	<b>47,911</b>	<b>34,470</b>	<b>24,041</b>	<b>11,327</b>
<b>CAPITAL EMPLOYED</b>					
Ordinary shareholders' funds	44,121	47,555	34,114	23,685	10,971
Preference share capital	356	356	356	356	356
	<b>44,477</b>	<b>47,911</b>	<b>34,470</b>	<b>24,041</b>	<b>11,327</b>
<b>NET ASSETS PER SHARE</b> (pence)	<b>38</b>	<b>41</b>	<b>29</b>	<b>20</b>	<b>11</b>
<b>EARNINGS PER SHARE</b> (pence)	<b>2.3</b>	<b>6.2</b>	<b>3.5</b>	<b>2.2</b>	<b>0.9</b>
<b>DIVIDENDS PER SHARE</b> (pence)	<b>0.5</b>	<b>1.4</b>	<b>0.8</b>	<b>0.5</b>	<b>0.2</b>

On 28th April 1986 Redman Heenan International PLC acquired the whole of the issued share capital of Clarke St. Modwen Holdings Limited, Barton Property Investments Limited and Barton Property Investments (Northern) Limited.

From that date, having changed its name to St. Modwen Properties PLC, the company has acted as the holding company of a group of property investment and development companies.



**St. MODWEN PROPERTIES PLC**



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## St. MODWEN PROPERTIES PLC

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