

Registration number 00456386

Chaucer Estates Limited

Directors' report and financial statements

for the year ended 30 November 2006

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Chaucer Estates Limited

Directors' report for the year ended 30 November 2006

The directors present their report and the financial statements for the year ended 30 November 2006

Principal activity and review of the business

The principal activity of the company is that of property investment and development

The directors consider that the result for the year and the future prospects are satisfactory. No changes are envisaged.

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

Directors and their interests

The following were directors of the company during the year, none of whom had any interest in the shares of the company:

T P Haywood

W A Oliver

R Joseland (appointed 4 May 2006)

A R Williams (resigned 9 November 2006)

R L Froggatt (resigned 5 July 2006)

The relevant interests of Messrs Haywood and Oliver in the shares of the ultimate parent company at the year end are disclosed in the directors' report of that company. The interests of the other directors in the 10p Ordinary shares of the ultimate parent company at the year end are:

	2006		2005 or date of appointment	
	Options	Shares	Options	Shares
R Joseland	46,145	-	39,781	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Chaucer Estates Limited

Directors' report for the year ended 30 November 2006

Directors' responsibilities (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The directors are of the opinion that, having regard to the funding available from its ultimate parent company, St Modwen Properties PLC, there is a reasonable expectation that the company has sufficient working capital to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Auditors

Ernst & Young LLP have conducted the audit for the year ended 30 November 2006 and have indicated they will not seek re-appointment at the forthcoming Annual General Meeting. A resolution proposing the appointment of Deloitte & Touche LLP will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small and medium sized companies.

This report was approved by the Board on 21/09/07 and signed on its behalf by


Secretary

Chaucer Estates Limited

Independent auditors' report to the shareholders of Chaucer Estates Limited

We have audited the company's financial statements for the year ended 30 November 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Chaucer Estates Limited
Independent auditors' report to the shareholders of
Chaucer Estates Limited - Continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Ernst & Young LLP

Registered Auditor

Birmingham

21/9/07

Chaucer Estates Limited

Profit and loss account for the year ended 30 November 2006

		2006	2005
	Notes	£	£
Turnover	2	638,493	503,218
Cost of sales		(292,031)	(209,693)
Gross profit		<u>346,462</u>	<u>293,525</u>
Operating profit	3	346,462	293,525
Interest receivable and similar income		297	4,037
Profit on ordinary activities before taxation		<u>346,759</u>	<u>297,562</u>
Tax on profit on ordinary activities	4	(103,741)	(61,601)
Retained profit for the year	11	<u>243,018</u>	<u>235,961</u>

There were no recognised gains or losses for the current and prior periods other than as shown above

All amounts derive from continuing activities

The notes on pages 7 to 12 form an integral part of these financial statements.

Chaucer Estates Limited

**Balance sheet
as at 30 November 2006**

		2006		2005	
	Notes	£	£	£	£
Fixed assets					
Investments	5		2		2
Current assets					
Stocks	6	3,677,271		2,858,750	
Debtors	7	21,186		838,814	
Cash at bank and in hand		3,078,555		2,185,219	
		<u>6,777,012</u>		<u>5,882,783</u>	
Creditors: amounts falling due within one year	8	<u>(777,711)</u>		<u>(126,616)</u>	
Net current assets			<u>5,999,301</u>		<u>5,756,167</u>
Total assets less current liabilities			<u>5,999,303</u>		<u>5,756,169</u>
Provisions for liabilities	9		<u>(673,334)</u>		<u>(673,218)</u>
Net assets			<u>5,325,969</u>		<u>5,082,951</u>
Capital and reserves					
Called up share capital	10		1,029,000		1,029,000
Revaluation reserve	11		2,195,743		2,195,743
Other reserves	11		2,100		2,100
Profit and loss account	11		2,099,126		1,856,108
Equity shareholders' funds	12		<u>5,325,969</u>		<u>5,082,951</u>

The financial statements were approved by the Board on 21/09/07 and signed on its behalf by



T.P. Haywood
Director

The notes on pages 7 to 12 form an integral part of these financial statements.

Chaucer Estates Limited

Notes to the financial statements for the year ended 30 November 2006

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board

1.2. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts. The company is included in the consolidated accounts of St Modwen Properties PLC. The financial statements show information relating to the company as an individual undertaking and not as a group.

1.3. Turnover and profit recognition

Turnover represents rental income receivable in accordance with UITF 28 and other recoveries.

1.4. Investment in subsidiary companies

Fixed asset investments in subsidiary companies are stated at cost less any impairment.

1.5. Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, less amounts invoiced on account. Transfers from investment properties to stock are made at carrying value.

1.6. Deferred taxation

In accordance with FRS19, deferred taxation is provided at the rate ruling at the balance sheet date on timing differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes. 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.

1.7. Interest

Interest incurred on properties in the course of development, whether for sale or retention as investments, is charged to the profit and loss account.

1.8. Cash flow statement

The company is a 100% subsidiary of St Modwen Properties PLC. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement.

Chaucer Estates Limited

Notes to the financial statements for the year ended 30 November 2006

continued

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

	2006	2005
	£	£
Class of business		
Rental income	388,493	503,218
Property development	250,000	-
	<u>638,493</u>	<u>503,218</u>

3. Operating profit

Auditors' remuneration was borne by its parent company, St Modwen Properties PLC. None of the directors received any remuneration during the year (2005 £Nil). The company has no employees and is managed by its parent company, St Modwen Properties PLC.

Chaucer Estates Limited

Notes to the financial statements for the year ended 30 November 2006

continued

4. Tax on profit on ordinary activities

Analysis of charge in period	2006 £	2005 £
Current tax		
UK corporation tax at 19.00% (2005 - 19.00%)	864	2,000
Adjustments in respect of previous periods	(768)	(24,360)
Group relief	103,529	87,000
	<u>103,625</u>	<u>64,640</u>
Total current tax charge	<u>103,625</u>	<u>64,640</u>
Deferred tax		
Timing differences, origination and reversal	50	-
Prior period adjustments	66	(3,039)
Total deferred tax	<u>116</u>	<u>(3,039)</u>
Tax on profit on ordinary activities	<u>103,741</u>	<u>61,601</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>346,759</u>	<u>297,562</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 30% (30 November 2005 - 30%)	104,028	89,269
Effects of:		
Adjustments to tax charge in respect of previous periods	(768)	(24,360)
Other	365	(269)
Current tax charge for period	<u>103,625</u>	<u>64,640</u>

Factors that may affect future tax charges

Based on current capital investment plans, the Company expects to continue to be able to claim capital allowances in excess of depreciation in future years. Full payment is made for group relief surrendered between related undertakings.

Chaucer Estates Limited

Notes to the financial statements for the year ended 30 November 2006

continued

5. Fixed asset investments	Subsidiary undertakings shares £
Cost	
At 30 November 2005 and 30 November 2006	2
Net book values	
At 30 November 2006	2
At 30 November 2005	2

The company holds 100% of the share capital of the following company

Company	Country of registration or incorporation	Nature of business	Shares held class
Subsidiary undertaking			
Boltro Properties Limited	England and Wales	Property investment	Ordinary shares
6. Stocks		2006 £	2005 £
Work in progress		3,677,271	2,858,750
7. Debtors		2006 £	2005 £
Trade debtors		15,967	-
Amounts owed by group undertakings		-	717,788
Other debtors		5,219	9,526
Prepayments and accrued income		-	111,500
		21,186	838,814

Chaucer Estates Limited

**Notes to the financial statements
for the year ended 30 November 2006**

continued

8. Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	244	91,954
Amounts owed to group undertaking	628,225	-
Corporation tax	864	2,000
Other taxes and social security costs	52,481	5,039
Accruals and deferred income	95,897	27,623
	<u>777,711</u>	<u>126,616</u>
9. Provision for deferred taxation	2006 £	2005 £
Accelerated capital allowances	(264)	(264)
Revaluation of properties and gains rolled over	673,548	673,482
	<u>673,284</u>	<u>673,218</u>
Provision at 1 December 2005	673,218	
Deferred tax charge in profit and loss account	50	
Adjustments in respect of previous periods	66	
Provision at 30 November 2006	<u>673,334</u>	
10. Share capital	2006 £	2005 £
Authorised equity		
1,500,000 Ordinary shares of £1 each	1,500,000	1,500,000
Allotted, called up and fully paid equity		
1,029,000 Ordinary shares of £1 each	1,029,000	1,029,000

Chaucer Estates Limited

Notes to the financial statements for the year ended 30 November 2006

continued

11. Reserves	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total £
At 1 December 2005	2,195,743	1,856,108	2,100	4,053,951
Retained profit for the year	-	243,018	-	243,018
At 30 November 2006	<u>2,195,743</u>	<u>2,099,126</u>	<u>2,100</u>	<u>4,296,969</u>

12. Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the year	243,018	235,961
Opening shareholders' funds	5,082,951	4,846,990
Closing shareholders' funds	<u>5,325,969</u>	<u>5,082,951</u>

13. Capital commitments

At 30 November 2006 the company had no contracted capital expenditure (2005 £nil)

14. Contingent liabilities

The company has guaranteed the bank loans and overdrafts of certain fellow group subsidiaries, which at 30 November 2006 amounted to £18,488,096 (2005 - £18,186,787)

15. Related party transactions

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group

16. Ultimate parent undertaking

The ultimate parent company is St Modwen Properties PLC, a company registered in England. Copies of the Group report and accounts of St Modwen Properties PLC are available from the Registered Office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF