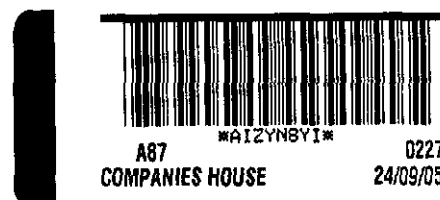


Uttoxeter Estates Limited

Report and Financial Statements

30 November 2004

Registered Number 02725709



Directors' Report

The directors present their report and financial statements for the year ended 30 November 2004.

Results and Dividends

The retained loss of £ 2,415 (2003: profit of £7,718) has been transferred from/ to reserves.

The directors do not recommend the payment of a dividend for the year (2003: £nil).

Principal Activity

The principal activity of the Company is that of property development.

Review of the Business

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

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:

Sir Stanley Clarke (resigned 23rd April 2004)

C C A Glossop

W A Oliver

Cllr J F Jessel

Cllr P E B Atkins

The relevant interests of Mr C C A Glossop and Mr W A Oliver in the shares of the ultimate parent company are disclosed in the directors' report of that company. Cllr Jessel and Cllr Atkins had no interest in the shares of the ultimate parent company.

Auditors

Ernst & Young LLP have expressed a willingness to remain in office and a resolution to reappoint Ernst & Young LLP will be put forward at the Annual General Meeting.

By order of the board



T P Haywood
Secretary

Date 9/9/05

Statement of Directors' Responsibilities in Relation to the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgements and estimates that are reasonable and prudent; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business*

The directors are responsible for 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.

Independent Auditors' Report to the Members of Uttoxeter Estates Limited

We have audited the company's financial statements for the year ended 30 November 2004 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Reconciliation of Movement in Shareholders' funds and the related notes 1 to 12. These financial statements have been prepared on the basis of 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
Birmingham

Ernst & Young LLP

Date

22 September 2005

Uttoxeter Estates Limited

Profit and Loss Account

For the year ended 30 November

| | Notes | 2004 £ | 2003 £ |
|--|-------|------------------------------|----------------------------|
| Turnover | 1 | <u>340</u> | <u>524</u> |
| Operating loss | 1 | (9,006) | (3,524) |
| Net interest receivable | 3 | 5,556 | 6,464 |
| (Loss)/ profit on ordinary activities before taxation | 4 | <u>(3,450)</u> | <u>2,940</u> |
| Tax credit on (loss)/ profit on ordinary activities | 5 | 1,035 | 4,778 |
| (Loss)/ profit on ordinary activities after taxation | | <u><u>(2,415)</u></u> | <u><u>7,718</u></u> |

All activities derive from continuing operations.

There are no recognised gains and losses other than the (loss)/ profit for the current or preceeding financial year. Accordingly, no statement of total recognised gains and losses is given.

Uttoxeter Estates Limited

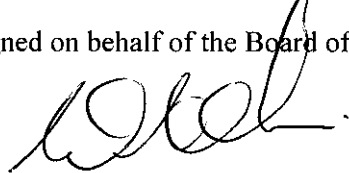
Balance Sheet

At 30 November

| | Notes | 2004 £ | 2003 £ |
|--|-------|----------------|----------------|
| Current assets | | | |
| Stocks | 6 | 296,986 | 280,793 |
| Debtors | 7 | 93,548 | 112,674 |
| Cash at bank and in hand | | 41 | 48 |
| | | <u>390,575</u> | <u>393,515</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 8 | (209,264) | (209,789) |
| Net assets | | <u>181,311</u> | <u>183,726</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | | 181,211 | 183,626 |
| Equity shareholders' funds | | <u>181,311</u> | <u>183,726</u> |

The Report and Accounts were approved by the Board of Directors on

Signed on behalf of the Board of Directors by



W A Oliver

Director

9/9/05

Supplementary Statements

For the year ended 30 November

| | 2004 | 2003 |
|---|----------------|----------------|
| | £ | £ |
| Reconciliation of Movements in Shareholders' Funds | | |
| (Loss) /profit attributable to shareholders | (2,415) | 7,718 |
| Net (deduction from)/ addition to shareholders' funds | <u>(2,415)</u> | <u>7,718</u> |
| Opening shareholders' funds | 183,726 | 176,008 |
| Closing shareholders' funds | <u>181,311</u> | <u>183,726</u> |

Cash Flow Statement

For the year ended 30 November

| | Notes | 2004 £ | 2003 £ |
|---|-------|----------------|----------------|
| Net cash outflow from operating activities | 10(a) | <u>(6,040)</u> | <u>(4,636)</u> |
| Returns on investments and servicing of finance | | | |
| Interest received | | 5,556 | 6,464 |
| Net cash outflow from returns on investment and servicing of finance | | <u>5,556</u> | <u>6,464</u> |
| Taxation | | 477 | (1,815) |
| (Decrease)/increase in cash in the year | 10(b) | <u>(7)</u> | <u>13</u> |
| Reconciliation of net cash flow to movement in net debt | | | |
| (Decrease)/increase in cash | | <u>(7)</u> | <u>13</u> |
| Change in net debt resulting from cash flows | | (7) | 13 |
| Net funds at 1 December | | <u>48</u> | <u>35</u> |
| Net funds at 30 November | | <u>41</u> | <u>48</u> |

Accounting Policies

The accounts and notes have been prepared in accordance with applicable accounting standards.

Accounting Convention

The accounts have been prepared under the historical cost convention.

Turnover and Profit Recognition

Turnover represents sales of development properties, rental income receivable in accordance with UITF28, and other recoveries. Profit on development properties is recognised on legal completion of sale.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value, less amounts invoiced on account.

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.

Interest

Interest incurred on properties in the course of development is charged to the profit and loss account.

1. Turnover and Profit Analysis

| | Turnover £ | 2004 Cost of sales £ | Profit £ |
|---|---------------|----------------------------|----------------|
| Property development | - | (5,874) | (5,874) |
| Other activities | 340 | - | 340 |
| | <u>340</u> | <u>(5,874)</u> | <u>(5,534)</u> |
| Administrative and other operating expenses | | | (3,472) |
| Operating loss | | | <u>(9,006)</u> |

| | Turnover £ | 2003 Cost of sales £ | Profit £ |
|---|---------------|----------------------------|----------------|
| Other activities | 524 | - | 524 |
| | <u>524</u> | <u>-</u> | <u>524</u> |
| Administrative and other operating expenses | | | (4,048) |
| Operating loss | | | <u>(3,524)</u> |

2. Information Regarding Directors and Employees

None of the directors received any remuneration during the year (2003 – nil).

The group had no employees and is managed by its parent company, St Modwen Properites PLC.

3. Net interest receivable

| | 2004 £ | 2003 £ |
|---|--------------|--------------|
| Interest payable on bank and other loans and overdrafts | - | (96) |
| Interest receivable | 5,556 | 6,560 |
| Net interest | <u>5,556</u> | <u>6,464</u> |

4. (Loss)/ profit on ordinary activities before taxation

| | 2004 £ | 2003 £ |
|---|-----------|-----------|
| The profit on ordinary activities before taxation is stated after charging: | | |
| Auditors' remuneration - | | |
| - audit services | 1,200 | 1,075 |
| - taxation advice | 2,272 | 2,973 |

5. Tax credit on (loss)/ profit on ordinary activities

| | 2004 £ | 2003 £ |
|---|----------------|----------------|
| (a) Analysis of charge in period | | |
| Current tax | | |
| UK Corporation Tax on profits of the period | - | 558 |
| Group relief receivable | (1,035) | - |
| Adjustments in respect of previous periods | | (5,336) |
| Total current tax (note (b)) | <u>(1,035)</u> | <u>(4,778)</u> |

| | 2004 £ | 2003 £ |
|--|----------------|----------------|
| (b) Factors affecting tax charge for period | | |
| (Loss)/ profit on ordinary activities before tax | <u>(3,450)</u> | <u>2,940</u> |
| (Loss)/ profit on ordinary activities at the standard rate of UK Corporation Tax | (1,035) | 882 |
| Other | - | (324) |
| Adjustments to tax charge in respect of previous periods | - | (5,336) |
| | <u>(1,035)</u> | <u>(4,778)</u> |

6. Stocks

| | 2004 £ | 2003 £ |
|------------------|----------------|----------------|
| Work in Progress | <u>296,986</u> | <u>280,793</u> |

7. Debtors

| | 2004 £ | 2003 £ |
|--|---------------|----------------|
| <i>Amounts falling due within one year</i> | | |
| Trade debtors | 2,580 | - |
| Amounts due from fellow subsidiaries | 90,810 | 112,399 |
| Other debtors | 158 | 275 |
| | <u>93,548</u> | <u>112,674</u> |

8. Creditors

| | 2004 £ | 2003 £ |
|--|----------------|----------------|
| <i>Amounts falling due within one year</i> | | |
| Trade creditors | 4,139 | 4,051 |
| Corporation tax | - | 558 |
| Accruals and deferred income | 205,125 | 205,180 |
| | <u>209,264</u> | <u>209,789</u> |

9. Called up share capital

| | 2004 £ | 2003 £ |
|--|------------|------------|
| Authorised: | | |
| Equity share capital - 81 'A' Ordinary shares of £1 shares: | 81 | 81 |
| Equity share capital - 19 'B' Ordinary shares of £1 shares: | 19 | 19 |
| | <u>100</u> | <u>100</u> |
| Allotted and fully paid: | | |
| Equity share capital - 81 'A' Ordinary shares of £1 shares: | 81 | 81 |
| Equity share capital - 19 'B' Ordinary shares of £1 shares: | 19 | 19 |
| | <u>100</u> | <u>100</u> |

The A and B shares rank pari passu in all respects except voting. The B shares are entitled to 19% of all votes, but are entitled to 26% of all votes under the following circumstances:

- Altering the Memorandum or Articles of Association
- Altering the rights attaching to any shares in the capital of the company
- Any contract or arrangement or payment (other than a payment of a dividend or distribution or a payment under the Articles) with or to any holder of any A shares or any person or company connected with any A shareholder
- Increasing or reducing the capital of the company, authorising the purchase by the company of its own shares, the issue of any shares or the grant of any option or other right to subscribe for any security convertible into shares of the company or entering into of any agreement for the same.
- The appointment or removal of any B Director

10. Cash Flow Statement

| | | |
|--|--------------------|--------------------|
| (a) Reconciliation of operating profit to operating cash flows | 2004 | 2003 |
| | £ | £ |
| Operating loss | (9,006) | (3,524) |
| Decrease in debtors | 19,126 | 26,753 |
| Increase in stocks | (16,193) | (30,809) |
| Increase in creditors | 33 | 2,944 |
| Net cash outflow from operating activities | <u>(6,040)</u> | <u>(4,636)</u> |
| (b) Analysis of net cash | | |
| | At | At |
| | 30 Nov 2003 | 30 Nov 2004 |
| | £ | £ |
| Cash | | |
| Cash at bank and in hand | <u>48</u> | <u>41</u> |
| | <u>(7)</u> | |

11. Ultimate Parent Company

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 Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham B16 8PE.

12. Related Party Transactions

There were no transactions with other companies in the group, other than group financing from St Modwen Properties PLC. Interest is received/ paid at a rate of 1.5% over the base rate on the net amount due/ owed under the group financing from St Modwen Properties PLC.