

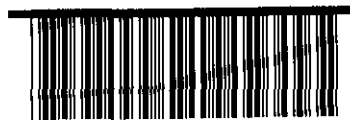
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WIDNES REGENERATION LIMITED

Report and Financial Statements

**Period from 2 October 1998 to
30 November 1999**

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**



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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 2 October 1998 to 30 November 1999. The company was incorporated on 2 October 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is property development.

BUSINESS REVIEW

The directors consider the state of the company and future prospects to be satisfactory. No changes are envisaged.

DIVIDENDS AND TRANSFERS TO RESERVES

The board of directors do not recommend payment of a dividend. The loss of £36,022 has been transferred from reserves.

DIRECTORS AND THEIR INTERESTS

The following served as directors of the company during the year:

S W Clarke	(appointed 10 February 1999)
P E Doona	(appointed 2 October 1998, resigned 1 December 1999)
C C A Glossop	(appointed 10 February 1999)
R L Froggatt	(appointed 10 February 1999)
A M McDermott	(appointed 10 February 1999)
J Swain	(appointed 11 June 1999)
M Taylor	(appointed 2 October 1998)
W A Oliver	(appointed 20 April 2000)
D E Cargill	(appointed 10 February 1999, resigned 11 June 1999)

None of the directors had any interests in the shares of the company or its fellow subsidiaries. The relevant interests of the directors in the shares of the ultimate parent company were as follows:

	10p Ordinary shares		Options to subscribe for 10p Ordinary Shares	
	Date of appointment	30 November 1999	Date of appointment	30 November 1999
S W Clarke	25,917,387	27,012,773	31,081	31,081
P E Doona	284,410	284,410	129,970	21,054
C C A Glossop	1,005,740	1,036,059	487,748	973,295
R L Froggatt	-	-	31,081	231,081
A M McDermott	-	-	-	-
J Swain	-	-	-	-
M Taylor	-	-	105,520	159,514

SHARE CAPITAL

The company issued 1,000 Ordinary shares of £1 each for cash following its formation to provide initial working capital.

DIRECTORS' REPORT

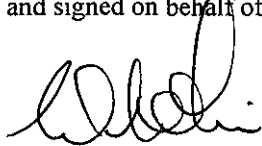
YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'W A Oliver', is written over the printed name and title.

W A Oliver
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- 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.



AUDITORS' REPORT TO THE MEMBERS OF

WIDNES REGENERATION LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 the company's affairs as at 30 November 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

20 June 2000

Chartered Accountants and Registered Auditors

PROFIT AND LOSS ACCOUNT

Period 2 October 1998 to 30 November 1999

	Note	£
TURNOVER	1	20,004
Cost of sales		(58,667)
Gross loss		(38,663)
Administrative expenses		(1,017)
OPERATING LOSS	3	(39,680)
Interest payable	4	(6,342)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(46,022)
Tax on loss on ordinary activities	5	10,000
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(36,022)</u>

All activities derive from continuing operations.

There were no gains and losses other than the loss in the period.

BALANCE SHEET
30 November 1999

	Note	£
CURRENT ASSETS		
Work in progress		1,197,918
Debtors	6	22,480
Cash at bank and in hand		3,263
		<u>1,223,661</u>
CREDITORS: amounts falling due within one year	7	<u>(1,258,683)</u>
NET LIABILITIES		<u>(35,022)</u>
CAPITAL AND RESERVES		
Called up share capital	8	1,000
Profit and loss account		<u>(36,022)</u>
EQUITY SHAREHOLDERS' DEFICIT	9	<u>(35,022)</u>

These financial statements were approved by the Board of Directors on 19 June 2000.

Signed on behalf of the Board of Directors

A M McDERMOTT *a.m. mcdermott*

C C A GLOSSOP

Director

C C A Glossop

NOTES TO THE ACCOUNTS

Period ended 30 November 1999

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover and profit recognition

Turnover represents sales of development properties and rental income from investment properties in the UK. Profit on the sale of development properties is recognised on sale.

Interest on borrowings

All interest on borrowings is written off when incurred.

Stocks

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

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

- (a) None of the directors received any remuneration from the company during the period. One director exercised options in the year.
- (b) The company has no employees and is managed by its parent company, St Modwen Properties PLC.

3. OPERATING LOSS

	£
Operating loss is after charging:	
Auditors' remuneration - audit services	1,000
	<u> </u>

4. INTEREST PAYABLE

	£
On bank loans and overdrafts	6,342
	<u> </u>

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	£
United Kingdom corporation tax at 30% based on the loss for the year	(10,000)
	<u> </u>

NOTES TO THE ACCOUNTS

Period ended 30 November 1999

6. DEBTORS

Amounts due within one year	£
Corporation tax recoverable	10,000
Trade debtors	1,154
Other debtors	11,326
	<u>22,480</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade creditors	1,692
Amounts owed to parent company	1,256,991
	<u>1,258,683</u>

8. CALLED UP SHARE CAPITAL

	£
Authorised	
Ordinary shares of £1 each	1,000
	<u>1,000</u>
Called up, allotted and fully paid	
Ordinary shares of £1 each	1,000
	<u>1,000</u>

The company issued 1,000 Ordinary shares of £1 each for cash following its formation to provide initial working capital.

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS/(DEFICIT)

	£
Shareholders' funds as at 2 October 1998	-
Share capital subscribed	1,000
Loss for the financial period	(36,022)
	<u>(35,022)</u>
Shareholders' deficit as at 30 November 1999	<u>(35,022)</u>

10. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS

The ultimate parent company is St Modwen Properties PLC, a company registered in England and Wales. Copies of the group report and accounts of St Modwen Properties PLC are available from its registered office at Lyndon House, 58 - 62 Hagley Road, Edgbaston, Birmingham B16 8PE.

There were no transactions with other companies in the group.