

Widnes Regeneration Limited

Report and Financial Statements

30 November 2005

Registered Number 03643210



Directors' Report

The directors present their report and financial statements for the year ended 30 November 2005.

Results and Dividends

The retained profit of £ 1,955,715 (2004: £37,755 loss) has been transferred to/from reserves.

The directors do not recommend the payment of a dividend for the year (2004: £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:

C C A Glossop

W A Oliver

T P Haywood

M Taylor

A M McDermott

J Swain

The relevant interests of Messrs Glossop, Oliver and Haywood in the shares of the ultimate parent company are disclosed in the directors' report of that company. Messrs A M McDermott and J Swain had no interest in the shares of the ultimate parent company.

The interests of M Taylor in the 10p Ordinary shares of the ultimate parent company are:

	2005		2004	
	Options	Shares	Options	Shares
M Taylor	88,251	-	95,001	3,994

Directors' Report (continued)

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

8 March 2006

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 Widnes Regeneration Limited

We have audited the company's financial statements for the year ended 30 November 2005 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Reconciliation of Movement in Shareholders' Funds, Accounting Policies and the related notes 1 to 13. 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.

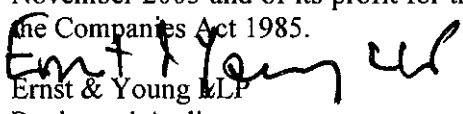
Basis of audit opinion

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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
Birmingham

8 March 2006

Profit and Loss Account

For the year ended 30 November

	Notes	2005 £	2004 £
Turnover	1	<u>5,506,679</u>	<u>1,095,855</u>
Operating profit/(loss)	1	2,874,877	(68,823)
Net interest (payable)/receivable	3	(84,705)	14,887
Profit/(loss) on ordinary activities before taxation	4	<u>2,790,172</u>	<u>(53,936)</u>
Taxation on profit/(loss) on ordinary activities	5	(834,457)	16,181
Profit/(loss) on ordinary activities after taxation		<u>1,955,715</u>	<u>(37,755)</u>

All activities derive from continuing operations.

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

Widnes Regeneration Limited

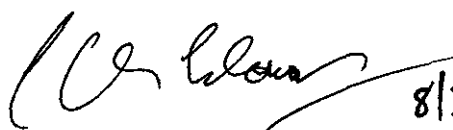
Balance Sheet

At 30 November

	Notes	2005 £	2004 £
Current assets			
Stocks	6	5,122,743	3,874,741
Debtors	7	2,375,304	246,553
Cash at bank and in hand		9,745	732
		<u>7,507,792</u>	<u>4,122,026</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(4,813,911)	(3,383,860)
Net assets		<u>2,693,881</u>	<u>738,166</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account		2,692,881	737,166
Equity shareholders' funds		<u>2,693,881</u>	<u>738,166</u>

The Report and Accounts were approved by the Board of Directors on 8 March 2006.

Signed on behalf of the Board of Directors by



8/3/06

C C A Glossop

Director



8/3/06

A M McDermott

Director

Cash Flow Statement

For the year ended 30 November

	Notes	2005 £	2004 £
Net cash inflow/(outflow) from operating activities	11(a)	<u>93,718</u>	<u>(29,543)</u>
Returns on investments and servicing of finance			
Interest received		68	14,887
Interest paid		(84,773)	-
Net cash (outflow)/inflow from returns on investment and servicing of finance		<u>(84,705)</u>	<u>14,887</u>
Taxation		-	14,909
Increase in cash in the year	11(b)	<u>9,013</u>	<u>253</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash		<u>9,013</u>	<u>253</u>
Change in net funds resulting from cash flows		9,013	253
Net funds at 1 December		<u>732</u>	<u>479</u>
Net funds at 30 November		<u>9,745</u>	<u>732</u>

Supplementary Statements

For the year ended 30 November

	2005	2004
	£	£
Reconciliation of Movements in Shareholders' Funds		
Profit/(loss) attributable to shareholders	1,955,715	(37,755)
Net addition to/(deduction from) shareholders' funds	<u>1,955,715</u>	<u>(37,755)</u>
Opening shareholders' funds	738,166	775,921
Closing shareholders' funds	<u>2,693,881</u>	<u>738,166</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.

Notes to the Accounts

1. Turnover and Profit Analysis

	Turnover £	2005 Cost of sales £	(Loss)/profit £
Rental income	6,679	(25,167)	(18,488)
Property development	5,500,000	(2,603,684)	2,896,316
	<u>5,506,679</u>	<u>(2,628,851)</u>	<u>2,877,828</u>
Administrative and other operating expenses			(2,951)
Operating profit			<u>2,874,877</u>

	Turnover £	2004 Cost of sales £	(Loss) £
Rental income	8,855	(31,250)	(22,395)
Property development	1,087,000	(1,129,956)	(42,956)
	<u>1,095,855</u>	<u>(1,161,206)</u>	<u>(65,351)</u>
Administrative and other operating expenses			(3,472)
Operating profit			<u>(68,823)</u>

2. Information Regarding Directors and Employees

None of the directors received any remuneration during the year (2004 – nil).

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

3. Net interest payable/(receivable)

	2005 £	2004 £
Interest payable on bank and other loans and overdrafts	84,773	-
Interest receivable	(68)	(14,887)
	<u>84,705</u>	<u>(14,887)</u>

Notes to the Accounts (continued)

4. Profit/(loss) on ordinary activities before taxation

	2005 £	2004 £
The profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration -		
- audit services	1,907	1,200
- taxation advice	962	2,272

5. Taxation on profit/(loss) on ordinary activities

	2005 £	2004 £
(a) Analysis of charge in year		
Current tax		
UK Corporation Tax on profits/(losses) of the year	2,000	-
Group relief payable/(receivable)	833,000	(16,945)
Adjustments in respect of previous years	(1,543)	-
Total current tax (note (b))	<u>833,457</u>	<u>(16,945)</u>
Deferred tax		
Origination and reversal of timing differences (note 9)	1,000	764
Taxation on profit/(loss) on ordinary activities	<u>834,457</u>	<u>(16,181)</u>

	2005 £	2004 £
(b) Factors affecting tax charge for year		
Profit/(loss) on ordinary activities before tax	<u>2,790,172</u>	<u>(53,936)</u>
Profit/(loss) on ordinary activities at the standard rate of UK Corporation Tax @ 30%	837,052	(16,181)
Capital allowances for period in excess of depreciation	(1,000)	(764)
Other	(1,052)	-
Adjustments to tax charge in respect of previous years	(1,543)	-
	<u>833,457</u>	<u>(16,945)</u>

Notes to the Accounts (continued)

6. Stocks

	2005 £	2004 £
Developments in progress	<u>5,122,743</u>	<u>3,874,741</u>

7. Debtors

	2005 £	2004 £
<i>Amounts falling due within one year</i>		
Trade debtors	37,486	5,788
Other debtors	2,336,526	238,473
Deferred tax asset (note 9)	1,292	2,292
	<u>2,375,304</u>	<u>246,553</u>

8. Creditors

	2005 £	2004 £
<i>Amounts falling due within one year</i>		
Trade creditors	278,985	116,492
Amounts due to ultimate parent company	2,080,325	1,704,231
Corporation tax	2,000	-
Accruals and deferred income	2,452,601	1,563,137
	<u>4,813,911</u>	<u>3,383,860</u>

Notes to the Accounts (continued)

9. Deferred Taxation

	Provided		Unprovided	
	2005	2004	2005	2004
	£	£	£	£
The amounts of deferred taxation provided and unprovided in the accounts are:				
- depreciation in advance of capital allowances	<u>(1,292)</u>	<u>(2,292)</u>	<u>-</u>	<u>-</u>
Reconciliation of movement on deferred tax liability				£
Balance as at 30 November 2004				(2,292)
Profit and loss account				1,000
Balance as at 30 November 2005				<u>(1,292)</u>

10. Called up share capital

	2005	2004
	£	£
Authorised, allotted and fully paid:		
Equity share capital 810 - 'A' Ordinary £1 shares:	810	810
Equity share capital 190 - 'B' Ordinary £1 shares:	<u>190</u>	<u>190</u>
	<u>1,000</u>	<u>1,000</u>

The A and B shares rank pari passu in all respects but the B shareholders are entitled to 51% 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
- 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
- the winding up of the company

Notes to the Accounts (continued)

11. Cash Flow Statement

(a) Reconciliation of operating (loss)/ profit to operating cash flows	2005	2004
	£	£
Operating profit/ (loss)	2,874,877	(68,823)
Increase in stocks	(1,248,002)	(2,644,907)
(Increase)/decrease in debtors	(2,128,751)	1,971,232
Increase in creditors	595,594	712,955
Net cash inflow/ (outflow) from operating activities	<u>93,718</u>	<u>(29,543)</u>
 (b) Analysis of net cash		
	At 30 Nov 2004 £	Cash Flows £
Cash		At 30 Nov 2005 £
Cash at hand and at bank	<u>732</u>	<u>9,745</u>

12. 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 Sir Stanley Clarke House, 7 Ridgeway, Quinton Business Park, Birmingham B32 1AF.

13. Related Party Transactions

There were no transactions with other companies in the group other than group financing to/ from St Modwen Properties PLC for which a net group interest recharge of £84,718 was payable (2004: £14,887 receivable). Interest is paid and received at a rate of 1.5% over the base rate on the net amount owed or due under the group financing from St Modwen Properties PLC. Note 8 gives the balance outstanding as at the balance sheet date.