

Widnes Regeneration Limited

Financial Statements

30 November 2002

Registered Number: 03643210



Widnes Regeneration Limited

DIRECTORS' REPORT

The directors present their financial statements for the year ended 30 November 2002.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be property development. The Directors consider the state of the company and future prospects to be satisfactory.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £161,617 (2001: £115,921). The directors do not recommend a dividend (2001: £nil).

FUTURE DEVELOPMENTS

No changes are envisaged.

DIRECTORS AND THEIR INTERESTS

The directors at 30 November 2002 and their interests in the share capital of the company were as follows:

Sir Stanley Clarke
C C A Glossop
W A Oliver
R L Froggatt
A M McDermott
J Swain
M Taylor

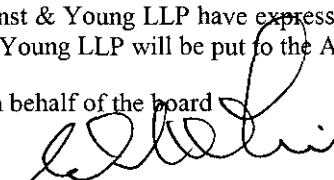
None of the directors had any interests in the shares of the company or its fellow subsidiaries. The relevant interests of Sir Stanley Clarke, Messrs Glossop, Oliver and Froggatt in the shares of the ultimate parent company are disclosed in the directors' report of that company. The relevant interests of the other directors in the shares of the ultimate parent company were as follows:

	<i>10p Ordinary Shares</i>		<i>Options to subscribe for 10p ordinary shares</i>	
	<i>30 November 2002</i>	<i>30 November 2001</i>	<i>30 November 2002</i>	<i>30 November 2001</i>
A W McDermott	-	-	-	-
J Swain	-	-	-	-
M Taylor	-	-	230,153	206,035

AUDITORS

Ernst & Young LLP have expressed their willingness to remain in office. A resolution to re-appoint Ernst & Young LLP will be put to the Annual General Meeting.

On behalf of the board


W A Oliver
Secretary & Director

Dated

26/9/03

Widnes Regeneration Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Birmingham

Dated *26 September 2003*

Widnes Regeneration Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 November 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
TURNOVER	1	25,630	36,778
Cost of sales		(30,836)	(41,367)
Gross loss		(5,206)	(4,589)
Administrative expenses		(2,456)	(1,635)
OPERATING LOSS	2	(7,662)	(6,224)
Interest payable	3	(235,131)	(152,950)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(242,793)	(159,174)
Tax credit on loss on ordinary activities	4	81,176	43,253
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(161,617)	(115,921)
Retained loss brought forward		(242,014)	(126,093)
Retained loss carried forward		(403,631)	(242,014)

All activities derive from continuing operations.

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

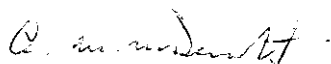
Widnes Regeneration Limited

BALANCE SHEET at 30 November 2002

	Notes	2002 £	2001 £
CURRENT ASSETS			
Stocks	5	6,388,279	2,575,361
Debtors	6	171,202	78,294
Cash at bank and in hand		8	371
		<u>6,559,489</u>	<u>2,654,026</u>
CREDITORS: amounts falling due within one year	7	<u>(6,962,120)</u>	<u>(2,895,040)</u>
NET LIABILITIES		<u>(402,631)</u>	<u>(241,014)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,000	1,000
Profit and loss account		<u>(403,631)</u>	<u>(242,014)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(402,631)</u>	<u>(241,014)</u>



Director



Dated 26/9/03

26-9-03

Widnes Regeneration Limited

CASH FLOW STATEMENT

for the year ended 30 November 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
Cash flow from operating activities	12(i)	157,056	44,738
Return on investments and services of finance	12 (ii)	(235,131)	(152,950)
Taxation		77,712	77,253
DECREASE IN CASH IN THE YEAR		(363)	(30,959)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		<i>2002</i> £	<i>2001</i> £
Decrease in cash in the year	12(iii)	(363)	(30,959)
Net funds at start of year		371	31,330
Net funds at end of year	12(iii)	8	371

Widnes Regeneration Limited

NOTES TO THE ACCOUNTS at 30 November 2002

1. ACCOUNTING POLICIES

Basis of preparation and change in accounting policy

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below. The financial statements are prepared under the historical cost convention.

In preparing the financial statements for the current year, the company has adopted FRS 18 'Accounting Policies' and FRS 19 'Deferred Tax'. The adoption of FRS 19 has resulted in a change of accounting policy for deferred tax. Deferred tax is provided on a full provision basis in accordance with the accounting policy described below. The change in accounting policy has not resulted in any prior year adjustment for the company.

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.

Stocks

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

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date, which will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold or that the taxable gain will be sheltered by capital losses.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. OPERATING LOSS

(a) This is stated after charging:	2002	2001
	£	£
Auditors' remuneration	1,050	1,500
	<u> </u>	<u> </u>

Widnes Regeneration Limited

NOTES TO THE ACCOUNTS at 30 November 2002

3. INTEREST PAYABLE

	2002	2001
	£	£
On group finance	235,131	152,950

4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2002	2001
	£	£
(a) Analysis of Charge in period		
UK Corporation tax		
Group relief receivable	73,108	44,487
Adjustments in respect of previous periods	4,604	(1,234)
Total current tax (note b)	77,712	43,253
Deferred tax		
Originating and reversal of timing differences	3,464	-
Tax on loss on ordinary activities	81,176	43,253

(b) Factors affecting the tax charge for the period

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2002	2001
	£	£
Loss on ordinary activities before tax	242,793	159,174
Loss on ordinary activities multiplied by the standard rate Of corporation tax in the UK of 30%	(72,838)	(47,752)
Effect of:		
Disallowed expenses and non taxable income	870	4,800
Capital allowances for the period in excess of depreciation	(1,140)	(1,535)
Adjustments in respect of previous periods	(4,604)	1,234
Current tax credit (note a)	(77,712)	(43,253)

5. STOCKS

	2002	2001
	£	£
Development in progress	6,388,279	2,575,361

Widnes Regeneration Limited

NOTES TO THE ACCOUNTS at 30 November 2002

6. DEBTORS

	2002	2001
	£	£
Trade debtors	1,826	-
Other debtors	94,638	1,041
Deferred tax asset	3,464	-
Amount owed by parent company	71,274	77,253
	<u>171,202</u>	<u>78,294</u>

7. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	35,009	7,697
Amounts owed to parent company	6,923,843	2,886,379
Accruals and deferred income	3,268	964
	<u>6,962,120</u>	<u>2,895,040</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	Provided		Unprovided	
	2002	2001	2002	2001
	£	£	£	£
DEFERRED TAX				
The amount of deferred taxation provided and unprovided in the accounts are:				
Capital allowances in advance of depreciation	<u>(3,464)</u>	<u>-</u>	<u>-</u>	<u>(4,549)</u>

Widnes Regeneration Limited

NOTES TO THE ACCOUNTS at 30 November 2002

9. CALLED UP SHARE CAPITAL

	2002 £	2001 £
AUTHORISED		
810 'A' Ordinary shares of £1 each	810	810
190 'B' Ordinary shares of £1 each	190	190
	<u>1,000</u>	<u>1,000</u>
CALLED UP, ALLOTTED AND FULLY PAID		
810 'A' Ordinary shares of £1 each	810	810
190 'B' Ordinary shares of £1 each	190	190
	<u>1,000</u>	<u>1,000</u>

The shares have the following voting rights:

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

10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 30 November 2001	1,000	(242,014)	(241,014)
Profit for the year	-	(161,617)	(161,617)
At 30 November 2002	<u>1,000</u>	<u>(403,631)</u>	<u>(402,631)</u>

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking 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.

Widnes Regeneration Limited

NOTES TO THE ACCOUNTS at 30 November 2002

12. NOTES TO CASH FLOW STATEMENT

(I) RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM ORDINARY ACTIVITIES

	2002 £	2001 £
Operating loss	(7,662)	(6,224)
Increase in stocks	(3,812,918)	(785,234)
Increase in debtors	(89,444)	(69,041)
Increase in creditors	4,067,080	905,237
NET CASH INFLOW FROM OPERATING ACTIVITIES	157,056	44,738

(II) ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Net cash flow for returns on investments and servicing of finance		
Interest received	235,131	152,950

(III) ANALYSIS OF NET FUNDS

	At 30 November 2001	Cash flow	At 30 November 2002
Cash at hand and at bank	371	(363)	8