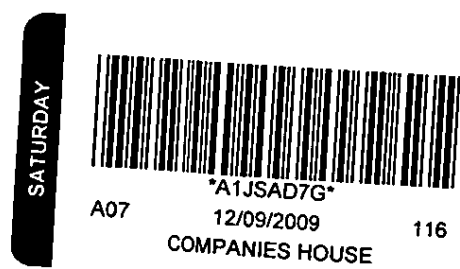


**Registration number 5594279**

**St. Modwen Developments (Wythenshawe) Limited**

**Annual report and financial statements**

**for the year ended 30 November 2008**



## **St. Modwen Developments (Wythenshawe) Limited**

### **Directors' report for the year ended 30 November 2008**

The directors present their report and the financial statements for the year ended 30 November 2008.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 264(4) of the Companies Act 1985.

#### **Principal activity and review of the business**

The principal activity of the company is that of property development. The directors consider that the result and future prospects are satisfactory. No changes are envisaged.

#### **Results and dividends**

The results for the period are set out on page 5.

The directors do not recommend payment of a final dividend (2007: £Nil).

#### **Post balance sheet event**

On 8 June 2009 St. Modwen Properties PLC, the ultimate parent company, completed a placing and open offer of new shares raising £102m of net proceeds which has significantly strengthened the financial position of the St Modwen group.

#### **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:

N G Beaumont (resigned 14<sup>th</sup> November 2008)

T P Haywood

W A Oliver

#### **Statement of 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 UK Accounting Standards have been followed; 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.

**St. Modwen Developments (Wythenshawe) Limited**

**Directors' report  
for the year ended 30 November 2008**

**Going concern**

The current economic conditions create uncertainty over the level of demand for property and access to liquidity. However, despite the uncertain outlook, the directors believe that the company is well placed to manage its risks by adapting its activities to changing conditions. Such action has included:

- Eliminating speculative development activity;
- Minimising any non-funded commitments; and
- Close management of working capital.

The ultimate parent company, St. Modwen Properties PLC, has provided the directors with confirmation that it will continue to provide the company with financial support, to the extent that it is not otherwise available, for a period of at least 12 months from the date of approval of the financial statements. As disclosed in its Annual Report dated 26 February 2009, St Modwen Properties PLC has adequate lines of credit in place which do not require any material refinancing before 2011 and the company is trading within all its banking covenants. The group's forecasts, taking account of reasonably possible changes in property valuation, and anticipated marshalling gains, show that the group should be able to operate within its current facilities and comply with its banking covenants.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

**Disclosure of information to the auditors**

Each director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware;
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

**Auditors**

Deloitte LLP, our Auditors, previously Deloitte & Touche LLP, have conducted the audit for the year ended 30 November 2008 and have expressed a willingness to remain in office. A resolution to reappoint Deloitte LLP will be put forward at the Annual General Meeting.

This report was approved by the Board on 10/09/09 and signed on its behalf by



**T. P. Haywood  
Director**

**Independent auditors' report to the members**  
**St. Modwen Developments (Wythenshawe) Limited**

We have audited the company's financial statements for the year ended 30 November 2008 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 12. 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.

**Independent auditors' report to the members of  
St. Modwen Developments (Wythenshawe) 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 2008 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.

*Deloitte LLP*

**Deloitte LLP**  
**Chartered Accountants and Registered Auditors**  
**Birmingham, United Kingdom**  
Date: 11/09/09

**St. Modwen Developments (Wythenshawe) Limited**

**Profit and loss account  
for the year ended 30 November 2008**

	<b>Notes</b>	<b>Year ended 30 Nov 08 £</b>	<b>Year ended 30 Nov 07 £</b>
<b>Turnover</b>	<b>2</b>	21,964	-
Cost of sales		(25,607)	(6,985)
<b>Gross loss and operating loss</b>	<b>3</b>	<u>(3,643)</u>	<u>(6,985)</u>
Surplus on revaluation on freehold investment properties		-	70,799
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(3,643)</u>	<u>63,814</u>
Tax on (loss)/profit on ordinary activities	<b>4</b>	13,204	1,513
<b>Profit on ordinary activities after taxation</b>	<b>9</b>	<u>9,561</u>	<u>65,327</u>

All amounts derive from continuing activities.

**Statement of total recognised gains and losses  
for the year ended 30 November 2008**

	<b>Year ended 30 Nov 08</b>	<b>Year ended 30 Nov 07</b>
<b>Profit on ordinary activities after taxation</b>	9,561	65,327
Unrealised (deficit) /surplus on revaluation of investment properties	(323,277)	61,951
<b>Total recognised (losses)/gains relating to the year</b>	<u>(313,716)</u>	<u>127,278</u>

**The notes on pages 7 to 13 form an integral part of these financial statements.**

**St. Modwen Developments (Wythenshawe) Limited**

**Balance sheet  
as at 30 November 2008**

		<b>2008</b>		<b>2007</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>5</b>		940,000		1,000,000
<b>Current assets</b>					
Debtors	<b>6</b>	13,109		9,165	
<b>Creditors: amounts falling due within one year</b>	<b>7</b>	(1,211,055)		(953,395)	
<b>Net current liabilities</b>			(1,197,946)		(944,230)
<b>Net (liabilities)/assets</b>			(257,946)		55,770
<b>Capital and reserves</b>					
Called up share capital	<b>8</b>		1		1
Revaluation reserve	<b>9</b>		(261,326)		61,951
Profit and loss account	<b>9</b>		3,379		(6,182)
<b>Shareholders' (deficit)/funds</b>	<b>10</b>		(257,946)		55,770

The financial statements were approved by the Board on 10/09/09 and signed on its behalf by



**T.P. Haywood**  
**Director**

**The notes on pages 7 to 13 form an integral part of these financial statements.**

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

**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 in accordance with applicable United Kingdom company law and accounting standards.

Compliance with SSAP 19 "Accounting for investment properties" requires departure from the Companies Act 1985 relating to depreciation and an explanation of the departure is given below.

The accounting policies have been applied consistently throughout the year and the preceding period. The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed going concern in the directors' report.

**1.2 Turnover and profit recognition**

Turnover represents rental income receivable on a straight line basis to first break point in the lease, and other recoveries.

**1.3 Tangible fixed assets and depreciation**

Depreciation is not provided on investment properties which are subject to annual revaluations.

**1.4 Investment properties**

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or temporary deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principal set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.



## **St. Modwen Developments (Wythenshawe) Limited**

### **Notes to the financial statements for the year ended 30 November 2008**

#### **1.5 Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### **1.6 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.

#### **2. Turnover**

The total turnover of the company for the year has been derived wholly in the UK.

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

**3. Operating loss**

**3.1 Audit fees**

Auditors' remuneration was borne by the parent company, St. Modwen Properties PLC. The amounts borne were as follows:

	<b>Year ended 30 Nov 2008 £</b>	<b>Year ended 30 Nov 2007 £</b>
Fees payable to the company's auditors for the audit of the company's annual accounts	2,100	2,000
Fees payable to the company's auditors for other services to the company – Tax services	1,050	1,000
	<u>3,150</u>	<u>3,000</u>

**3.2 Information regarding directors and employees**

None of the directors received any remuneration during the year (2007: £Nil). The company had no employees (2007: Nil) and is managed by its ultimate parent company, St. Modwen Properties PLC.

The remuneration of the directors is paid by other group undertakings for both the current financial year and the prior financial year and no part of their remuneration is specifically attributable to their services to this company.

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

**4. Tax on (loss)/profit on ordinary activities**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax at 28.67% (2007: 30%)	(1,044)	-
Group relief	(2,579)	(2,000)
Adjustment in respect of prior periods	(9,581)	487
	<u>(13,204)</u>	<u>(1,513)</u>

**Factors affecting tax credit for the year**

The tax assessed for the year is different to the standard rate of corporation tax in the UK 28.67% (2007: 30%). The differences are explained below:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
(Loss)/profit on ordinary activities before taxation	<u>(3,643)</u>	<u>63,814</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 28.67% (2007: 30%)	(1,044)	19,144
<b>Effects of:</b>		
Disallowed expenses and non taxable income	-	(21,240)
Capital allowances	(2,579)	-
Adjustment in respect of prior periods	(9,581)	487
Other	-	96
Current tax credit for period	<u>(13,204)</u>	<u>(1,513)</u>

With effect from 1 April 2008 the corporation tax rate for large companies was reduced to 28%. Accordingly, the standard rate of tax for the year ended 30 November 2008 is 28.67% (2007: 30%).

No provision has been made for the deferred tax asset arising as a result of gains or losses recognised on revaluing investment properties to market value. Such tax would become receivable only if the properties were sold. The total unprovided deferred tax liability is £73,171 (2007: £10,437).

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

**5. Tangible fixed assets**

	<b>Long leasehold investment properties £</b>
<b>Cost or valuation</b>	
At 1 December 2007	1,000,000
Additions	263,277
Revaluation	(323,277)
At 30 November 2008	<u>940,000</u>
<b>Net book values</b>	
At 30 November 2008	<u>940,000</u>
At 30 November 2007	<u>1,000,000</u>

Long leasehold investment properties were revalued as at 30 November 2008 by King Sturge & Co., Chartered Surveyors in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of open market value.

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	<b>2008 £</b>	<b>2007 £</b>
Long leasehold investment properties	<u>1,201,326</u>	<u>938,049</u>

**6. Debtors**

	<b>2008 £</b>	<b>2007 £</b>
Other debtors	-	7,164
Corporation tax	13,108	-
Amounts due from fellow group subsidiaries	-	2,000
Amounts due from parent undertaking in respect of unpaid share capital	1	1
	<u>13,109</u>	<u>9,165</u>

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

<b>7. Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	14,984
Amounts owed to parent undertaking	1,191,772	938,411
Other creditors	19,283	-
	<u>1,211,055</u>	<u>953,395</u>
<b>8. Share capital</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted, called up and nil paid equity</b>		
1 Ordinary shares of £1 each	1	1
<b>9. Reserves</b>	<b>Revaluation reserve</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
<b>At 1 December 2007</b>	61,951	(6,182)
Revaluation of property	(323,277)	-
Retained profit for the year	-	9,561
<b>At 30 November 2008</b>	<u>(261,326)</u>	<u>3,379</u>
<b>10. Reconciliation of movements in shareholders' funds</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit for the year	9,561	65,327
Other recognised gains or losses	(323,277)	61,951
Net (reduction in)/addition to shareholders' funds	<u>(313,716)</u>	<u>127,278</u>
Opening shareholders' funds/(deficit)	55,770	(71,508)
Closing shareholders' (deficit)/funds	<u>(257,946)</u>	<u>55,770</u>

**St. Modwen Developments (Wythenshawe) Limited**

**Notes to the financial statements  
for the year ended 30 November 2008**

**11. Related party transactions**

There were no transactions with other companies other than group financing from St. Modwen Properties PLC for which no group interest was charged. Note 7 gives the balance outstanding as at the balance sheet date.

**12. Ultimate parent undertaking**

The immediate and 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. This is the largest and smallest group into which this company is consolidated. The Registered Office of St. Modwen Developments (St. Helens) Limited is at the same address.

**13. Post balance sheet event**

On 8 June 2009 St. Modwen Properties PLC completed a placing and open offer of new shares raising £102m of net proceeds which has significantly strengthened the financial position of the St Modwen group.