

Cussins Homes (Yorks) Limited
Annual report
for the year ended 31 December 1995

Registered no: 1333209



Coopers
& Lybrand

Cussins Homes (Yorks) Limited

Annual report for the year ended 31 December 1995

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**Directors' report
for the year ended 31 December 1995**

The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activities and business review

The principal activity of the company is that of house building.

In the opinion of the directors the state of the company's affairs and its future prospects are satisfactory.

Results and dividends

The loss for the financial year after taxation was £617,000 (1994: profit of £649,000). The directors recommend the payment of a final dividend of £1,900,000 (1994: £850,000). The loss for the financial year of £2,517,000 (1994: £201,000) will be deducted from reserves.

Changes in fixed assets

Changes in fixed assets are set out in notes 8 and 9 to the financial statements.

Directors

The directors of the company at 31 December 1995, all of whom had been directors for the whole of the year ended on that date, unless otherwise stated, are listed below:

P I Cussins	
W I Waites	
M S Guy	(Appointed 3 April 1995)
G Hall	(Appointed 3 April 1995)
R Messham	(Appointed 3 April 1995)
D O Robertson	(Appointed 3 April 1995)
M P Windle	(Appointed 3 April 1995)

Directors' interests

None of the directors held any shares in the issued share capital of the company at 31 December 1995.

P I Cussins and W I Waites are directors of the ultimate parent company. Their interests in the shares of the ultimate parent company are disclosed in that company's financial statements.

The remaining directors' interests in the issued share capital of Cussins Property Group plc, of which they are not themselves directors, are as follows:

	Cussins Property Group plc Ordinary shares of 20p each			
	Fully paid 31 December 1995	Under option	Fully paid Date of appointment	Under option
R Messham	-	-	-	-
M S Guy	6,250	2,131	6,250	2,131
G Hall	11,368	5,327	11,368	5,327
D O Robertson	-	2,131	-	2,131
M P Windle	1,875	29,564	1,875	29,564

Details of the above interests in the executive share option scheme are shown in note 3.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



Secretary
29 April 1996

**Report of the auditors to the members of
Cussins Homes (Yorks) Limited**

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2 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 at 31 December 1995 and of its loss and total recognised losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Cosper & Hyland

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
29 April 1996

**Profit and loss account
for the year ended 31 December 1995**

	Notes	1995 £'000	1994 £'000
Turnover		6,674	14,095
Cost of sales		(5,247)	(10,746)
Gross profit		1,427	3,349
Administrative expenses		(1,500)	(2,296)
Other operating income		24	32
Operating (loss)/profit		(49)	1,085
Interest payable and similar charges	4	(568)	(436)
(Loss)/profit on ordinary activities before taxation	5	(617)	649
Taxation	6	-	-
(Loss)/profit on ordinary activities after taxation		(617)	649
Dividends	7	(1,900)	(850)
Loss for the financial year	14	(2,517)	(201)

All of the company's activities are continuing.

The company has no recognised gains and losses other than those included in the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents.

Balance sheet at 31 December 1995

	Notes	1995 £'000	1994 £'000
Fixed assets			
Tangible assets	8	10	-
Ground rents	9	1	62
		<u>11</u>	<u>62</u>
Current assets			
Stocks	10	6,542	11,454
Debtors	11	4,054	1,023
Cash at bank and in hand		-	27
		<u>10,596</u>	<u>12,504</u>
Creditors: amounts falling due within one year	12	<u>(9,852)</u>	<u>(9,294)</u>
Net current assets		<u>744</u>	<u>3,210</u>
Net assets		<u>755</u>	<u>3,272</u>
Capital and reserves			
Called-up share capital	13	-	-
Profit and loss account	14	755	3,272
Equity shareholders' funds	15	<u>755</u>	<u>3,272</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 29 April 1996 and were signed on its behalf by:



Director

Notes to the financial statements for the year ended 31 December 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical convention.

Cash flow

The company is a wholly owned subsidiary of Cussins Property Group plc and the cash flows of the company are included in the consolidated cash flow statement of that company. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from the requirement to publish a cash flow statement.

Turnover

Turnover represents legal completions of houses during the year.

Stocks

Land and site development is valued at the lower of cost and net realisable value. Amounts held in stock represent costs incurred on developments net of amounts transferred to cost of sales and less any provisions for foreseeable losses.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of tangible fixed assets, less their estimated residual values, over their estimated useful economic lives on a straight line basis using the following rates:

Fixtures and fittings	10%
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Ground rents

Ground rents are capitalised at the time of sale of the related leasehold property at open market value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable a liability or asset will crystallise.

2 Employee information

The company had no employees during the year (1994: Nil). Site labour is contracted from a fellow subsidiary undertaking, Lemmington Estates Limited.

3 Directors' emoluments and share options

The emoluments of Mr P I Cussins (Chairman) and Mr W I Waites (highest paid director) are paid by the ultimate parent company, Cussins Property Group plc, and are disclosed in that company's financial statements.

The emoluments of M P Windle are paid by Cussins Property group plc and are disclosed in the financial statements of Cussins Homes Limited as he is a director of that company.

The remuneration paid to the remaining directors of Cussins Homes (Yorks) Limited was:

	1995 £'000	1994 £'000
Salary (including benefits in kind)	160	-
Aggregate pension costs	24	-
Performance related emoluments	40	-
	<hr/>	<hr/>
	224	-
	<hr/>	<hr/>

The emoluments of these remaining directors are paid through other group companies and are recharged to the company as part of a management charge, which also includes a recharge of administration costs borne by the other group companies on behalf of the company. It is not possible to identify separately the amount in respect of the directors above.

The emoluments of these remaining directors (excluding pension contributions) fell into the following ranges:

	1995 Number	1994 Number
£40,001 to £45,000	1	-
£45,001 to £50,000	1	-
£50,001 to £55,000	1	-
£55,001 to £60,000	1	-
	<hr/>	<hr/>

Share options

P I Cussins and W I Waites are directors of the ultimate parent company. Their share options are disclosed in that company's financial statements.

The options held by the remaining directors over the ordinary shares of the ultimate parent company, Cussins Property Group plc, which were outstanding at 31 December 1995 were as follows:

Date of grant	Exercise price £	Period of option	R Messham	M S Guy	G Hall	D O Robertson	M P Windle
6 April 1990	1.47	April 1993 - April 2000	-	2,131	5,327	2,131	19,180
24 May 1991	0.56	May 1994 - May 2001	-	-	-	-	10,384
			-	2,131	5,327	2,131	29,564

During the period no options were exercised or granted.

No performance related criteria are associated with the exercise of options.

The market price of the shares at 31 December 1995 was £0.78 (1994: £0.97) and the range during the year was £0.70 to £0.98.

4 Interest payable and similar charges

	1995 £'000	1994 £'000
Recharged by the parent company and fellow subsidiary undertakings	400	400
On bank loans and overdrafts, repayable within five years, by instalments	168	36
	<u>568</u>	<u>436</u>

5 (Loss)/profit on ordinary activities before taxation

	1995 £'000	1994 £'000
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Hire of plant and machinery	1,202	1,020
Management charges	<u>1,440</u>	<u>2,151</u>

6 Taxation

The company's corporation tax charge for the year ended 31 December 1995 was £Nil (1994: £Nil).

7 Dividends

	1995 £'000	1994 £'000
Final dividend proposed: £950,000 per share (1994: £425,000)	<u>1,900</u>	<u>850</u>

8 Tangible fixed assets

	Fixtures and fittings £'000
Cost	
At 1 January 1995	-
Additions	<u>11</u>
At 31 December 1995	<u>11</u>
Depreciation	
At 1 January 1995	-
Charge for the year	<u>1</u>
At 31 December 1995	<u>1</u>
Net book value	
At 31 December 1995	<u>10</u>
Net book value	
At 31 December 1994	<u>-</u>

9 Ground rents

	£'000
Valuation at 1 January 1995	62
Additions	10
Disposals	(71)
	<u>1</u>
Valuation at 31 December 1995	<u>1</u>

10 Stocks

	1995 £'000	1994 £'000
Land and site development	<u>6,542</u>	<u>11,454</u>

11 Debtors

	1995 £'000	1994 £'000
Amounts falling due within one year:		
Trade debtors	29	53
Amounts owed by parent company and fellow subsidiary undertakings	4,024	965
Other debtors	1	5
	<u>4,054</u>	<u>1,023</u>

12 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Bank loan and overdraft	2,607	671
Trade creditors	806	1,261
Amounts owed to parent company and fellow subsidiary undertakings	3,670	6,496
Other taxation and social security	4	10
Accruals	15	6
Dividend payable	2,750	850
	<u>9,852</u>	<u>9,294</u>

The bank overdraft is secured by fixed and floating charges over the land and site development relating to certain sites included in stocks.

13 Called-up share capital

	1995 £	1994 £
Authorised		
100 (1994: 100) ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called-up and fully paid		
2 (1994: 2) ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

14 Profit and loss account

	£'000
At 1 January 1995	3,272
Loss for the financial year	(2,517)
	<u> </u>
At 31 December 1995	755
	<u> </u>

15 Reconciliation of movement in equity shareholders' funds

	1995 £'000	1994 £'000
(Loss)/profit on ordinary activities after taxation	(617)	649
Dividends	(1,900)	(850)
	<u> </u>	<u> </u>
Loss for the financial year	(2,517)	(201)
Opening equity shareholders' funds	3,272	3,473
	<u> </u>	<u> </u>
Closing equity shareholders' funds	755	3,272
	<u> </u>	<u> </u>

16 Contingent liabilities

The company has guaranteed the overdrafts of other group companies at two different banks. The maximum liabilities under these guarantees were £3,269,000 (1994: £4,143,000) and £309,000 (1994: £1,111,000) at 31 December 1995.

These overdrafts have been secured by fixed and floating charges over all of the company's assets.

17 Ultimate and immediate parent companies

The company's immediate parent company is Cussins Homes Limited and the ultimate parent company is Cussins Property Group plc. Both companies are registered in England and Wales. Cussins Homes Limited has not prepared consolidated financial statements as it is exempt from this requirement under the Companies Act 1985. Copies of the consolidated financial statements of the ultimate parent company may be obtained from Cussins Property Group plc, Great North Road, Gosforth, Newcastle upon Tyne, NE3 2DA.