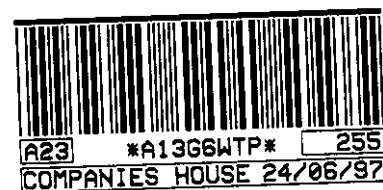


R

Cussins Homes (Yorks) Limited  
Annual report  
for the year ended 31 December 1996

Registered no: 1333209

Coopers  
& Lybrand



# **Cussins Homes (Yorks) Limited**

## **Annual report for the year ended 31 December 1996**

	<b>Pages</b>
<b>Directors' report</b>	<b>1 - 3</b>
<b>Report of the auditors</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7 - 12</b>

## **Directors' report for the year ended 31 December 1996**

The directors present their report and the audited financial statements for the year ended 31 December 1996.

### **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 profit for the financial year after taxation was £199,000 (1995: loss of £617,000).

The directors recommend the payment of a final dividend of £954,000 (1995: £1,900,000).

### **Directors**

The directors of the company at 31 December 1996, all of whom had been directors for the whole of the year ended on that date, are listed below:

P I Cussins  
W I Waites  
M S Guy  
G Hall  
R Messham  
D O Robertson  
M P Windle

### **Directors' interests**

None of the directors held any shares in the issued share capital of the company at 31 December 1996.

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

The interests of M P Windle in the shares and share options of Cussins Property Group plc are disclosed in the financial statements of the immediate parent company, Cussins Homes Limited, as he is a director of that company.

The remaining directors' interests in the shares and share options of Cussins Property Group plc, are as follows:

## Interests in shares

	1 January	31 December
Cussins Property Group plc - ordinary shares 20p		
M S Guy	6,250	6,250
G Hall	11,368	11,368
R Messham	-	-
D O Robertson	-	-

There has been no change in the interests set out above between 31 December 1996 and 18 April 1997.

## Interests in share options

Date of grant	Exercise price £	Period of option	R Messham	M S Guy	G Hall	D O Robertson
6 April 1990	1.47	April 1993 - April 2000	-	2,131	5,327	2,131

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 1996 was 68p (1995: 78p) and the range during the year was 66.5p to 85p.

## 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 1996. 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  
9 May 1997

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

We have audited the financial statements on pages 5 to 12.

### **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.

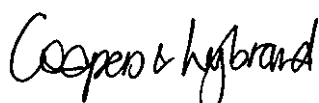
### **Basis of opinion**

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 at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
9 May 1997

## Profit and loss account for the year ended 31 December 1996

	Notes	1996 £'000	1995 £'000
Turnover		5,407	6,674
Cost of sales		(4,445)	(5,247)
<b>Gross profit</b>		<b>962</b>	<b>1,427</b>
Administrative expenses		(300)	(1,500)
Other operating income		9	24
<b>Operating profit/(loss)</b>		<b>671</b>	<b>(49)</b>
Interest payable and similar charges	4	(534)	(568)
<b>Profit/(loss) on ordinary activities before taxation</b>	5	<b>137</b>	<b>(617)</b>
Tax on profit on ordinary activities	6	62	-
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>199</b>	<b>(617)</b>
Dividends	7	(954)	(1,900)
<b>Loss for the financial year</b>	14	<b>(755)</b>	<b>(2,517)</b>

All of the company's activities are continuing.

The company has no recognised gains and losses other than those set out above and therefore no separate statement of total recognised gains and losses has been presented.

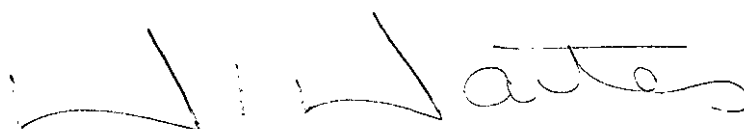
There is no difference between the profit/(loss) on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents.

# Balance sheet at 31 December 1996

	Notes	1996 £'000	1995 £'000
<b>Fixed assets</b>			
Tangible assets	8	9	10
Ground rents	9	1	1
		<u>10</u>	<u>11</u>
<b>Current assets</b>			
Stocks	10	5,497	6,542
Debtors	11	2,463	4,054
		<u>7,960</u>	<u>10,596</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(7,970)</u>	<u>(9,852)</u>
<b>Net current (liabilities)/assets</b>		<u>(10)</u>	<u>744</u>
<b>Net assets</b>		<u>-</u>	<u>755</u>
<b>Capital and reserves</b>			
Called-up share capital	13	-	-
Profit and loss account	14	-	755
<b>Equity shareholders' funds</b>	15	<u>-</u>	<u>755</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 9 May 1997 and were signed on its behalf by:

Director





**Notes to the financial statements  
for the year ended 31 December 1996****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 as modified by the revaluation of certain fixed assets.

**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 the proceeds from legal completions of houses during the year. The sale proceeds of part exchange houses are not included in turnover.

**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%
-----------------------	-----

**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 that a liability or asset will crystallise.

## 2 Employee information

The company had no employees during the year (1995: Nil). Site labour is contracted from a fellow subsidiary undertaking, Lemmington Estates Limited.

## 3 Directors' emoluments and share options

The emoluments of P I Cussins (Chairman) and 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 Homes Limited and are disclosed in the financial statements of that company.

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

	1996 £'000	1995 £'000
Salary (including benefits in kind)	172	160
Aggregate pension costs	26	24
Performance related emoluments	53	40
	<u>251</u>	<u>224</u>

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:

	1996 Number	1995 Number
£40,001 to £45,000	-	1
£45,001 to £50,000	-	1
£50,001 to £55,000	1	1
£55,001 to £60,000	3	1
	<u>4</u>	<u>3</u>

## 4 Interest payable and similar charges

	1996 £'000	1995 £'000
Recharged by the parent company and fellow subsidiary undertakings	300	400
On bank loans and overdrafts	234	168
	<u>534</u>	<u>568</u>

## 5 Profit/(loss) on ordinary activities before taxation

	1996 £'000	1995 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Hire of plant and machinery	135	181
Management charges	300	1,440
Depreciation of tangible owned fixed assets	1	1
	<u>436</u>	<u>1,622</u>

## 6 Tax on profit on ordinary activities

	1996 £'000	1995 £'000
United Kingdom corporation tax at 33% (1995: 33%)		
Current	8	-
Over provision in respect of prior years	(70)	-
Group relief payable	<u>(62)</u>	<u>-</u>

## 7 Dividends

	1996 £'000	1995 £'000
Dividends on equity shares:		
Ordinary - final dividend proposed of £477,000 per share (1995: £950,000)	<u>954</u>	<u>1,900</u>

# 8 Tangible fixed assets

	Fixtures and fittings £'000
<b>Cost</b>	
At 1 January 1996 and 31 December 1996	11
	<hr/>
<b>Depreciation</b>	
At 1 January 1996	1
Charge for the year	1
	<hr/>
At 31 December 1996	2
	<hr/>
<b>Net book value</b>	
At 31 December 1996	9
	<hr/>
<b>Net book value</b>	
At 31 December 1995	10
	<hr/>

# 9 Ground rents

	£'000
Valuation at 1 January 1996	1
Additions	2
Disposals	(2)
	<hr/>
Valuation at 31 December 1996	1
	<hr/>

# 10 Stocks

	1996 £'000	1995 £'000
Land and site development	5,497	6,542
	<hr/>	<hr/>

# 11 Debtors

	1996 £'000	1995 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	48	29
Amounts owed by group undertakings	2,258	4,024
Group relief receivable	64	-
Other debtors	-	1
Prepayments and accrued income	93	-
	<hr/>	<hr/>
	2,463	4,054
	<hr/>	<hr/>

**12 Creditors: amounts falling due within one year**

	1996 £'000	1995 £'000
Bank overdrafts	1,375	2,607
Trade creditors	508	806
Amounts owed to group undertakings	4,264	3,670
Corporation tax	2	-
Other taxation and social security	3	4
Other creditors	3	-
Accruals	11	15
Dividend payable	1,804	2,750
	<u>7,970</u>	<u>9,852</u>

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

**13 Called-up share capital**

	1996 £	1995 £
<b>Authorised</b>		
100 (1995: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called-up and fully paid</b>		
2 (1995: 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

**14 Profit and loss account**

	£'000
At 1 January 1996	755
Loss for the financial year	<u>(755)</u>
At 31 December 1996	<u>-</u>

**15 Reconciliation of movement in equity shareholders' funds**

	1996 £'000	1995 £'000
Profit/(loss) on ordinary activities after taxation	199	(617)
Dividends	<u>(954)</u>	<u>(1,900)</u>
Net reduction in shareholders' funds	<u>(755)</u>	<u>(2,517)</u>
Opening equity shareholders' funds	755	3,272
Closing equity shareholders' funds	<u>-</u>	<u>755</u>

**16 Contingent liabilities**

The company has guaranteed the overdrafts of other group companies at two different banks. The maximum liabilities under these guarantees at 31 December 1996 were £2,014,000 (1995: £3,269,000) and £451,000 (1995: £309,000).

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

**17 Related party disclosures**

The company has taken advantage of the exemption under FRS 8 'Related Party Disclosures' not to disclose details of intra-group transactions. There are no other transactions which fall to be disclosed under the terms of FRS 8.

**18 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. The directors regard Cussins Property Group plc as the ultimate controlling party. 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.