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Lemmington Estates Limited
Annual report
for the year ended 31 December 1996

Registered no: 1458612

Coopers
& Lybrand



Lemmington Estates Limited

Annual report for the year ended 31 December 1996

	Pages
Directors' report	1 - 2
Report of the auditors	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

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 company's principal activity is the provision of site labour to other group companies.

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

Results and dividends

The company made neither a profit nor a loss in the year (1995: £Nil) and no dividend is proposed (1995: £Nil).

Directors

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

J R Anderson
G Hall
W I Waites
M P Windle

Directors' interests

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

Mr W I Waites is a director of the ultimate parent company, Cussins Property Group plc. His interest in the shares and share options of Cussins Property Group plc are disclosed in that company's financial statements.

J R Anderson and M P Windle are directors of various group companies. Their interests in the shares and share options of Cussins Property Group plc are disclosed in the financial statements of Cussins Homes Limited.

G Hall is also a director of various group companies. His interests in the shares and share options of Cussins Property Group plc are disclosed in the financial statements of Cussins Homes (North) Limited.

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.

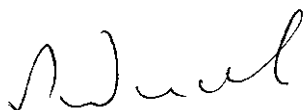
The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1996. The directors also confirm that applicable accounting 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 Lemington Estates Limited

We have audited the financial statements on pages 4 to 9.

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.

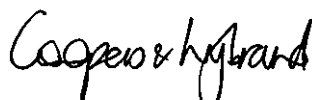
Basis of opinion

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 1996 and of its result 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		3,327	3,313
Cost of sales		(3,327)	(3,313)
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	4	-	-
Retained profit for the financial year		-	-

All of the company's activities are continuing.

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


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

**Balance sheet
at 31 December 1996**

	Notes	1996 £'000	1995 £'000
Current assets			
Debtors	5	-	343
Cash		<u>107</u>	<u>-</u>
		107	343
Creditors: amounts falling due within one year	6	(107)	(343)
Net assets		<u><u>-</u></u>	<u><u>-</u></u>
Capital and reserves			
Called-up share capital	7	-	-
Profit and loss account	8	<u>-</u>	<u>-</u>
Equity shareholders' funds	9	<u><u>-</u></u>	<u><u>-</u></u>

The financial statements on pages 4 to 9 were approved by the board of directors on 9 May 1997 and were signed on its behalf by:

Director

 W. I. Bates

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 cost 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 labour costs recharged to other group companies.

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 average monthly number of persons (including executive directors) employed during the year was:

	1996 Number	1995 Number
Administration and sales	20	18
Building and development	214	224
	<u>234</u>	<u>242</u>
	1996	1995
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	3,051	3,043
Social security costs	276	270
	<u>3,327</u>	<u>3,313</u>

3 Directors' emoluments

No emoluments were paid to any directors by the company during the year (1995: £Nil).

The emoluments of W I Waites are paid by the ultimate parent company, Cussins Property Group plc, and are disclosed in that company's financial statements.

The emoluments of J R Anderson and M P Windle are disclosed in the financial statements of Cussins Homes Limited and the emoluments of G Hall are disclosed in the financial statements of Cussins Homes (North) Limited.

4 Tax on profit on ordinary activities

The company's corporation tax charge for the year ended 31 December 1996 was £Nil (1995: £Nil).

5 Debtors

	1996 £'000	1995 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	-	342
Other debtors	-	1
	<u>-</u>	<u>343</u>
	<u>-</u>	<u>343</u>

6 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Bank overdraft	-	157
Amounts owed to group undertakings	14	-
Other taxation and social security payable	83	99
Other creditors	10	87
	<u>107</u>	<u>343</u>
	<u>107</u>	<u>343</u>

The bank overdraft is secured by a floating charge over all of the assets of the company.

7 Called-up share capital

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

8 Profit and loss account

	£'000	£'000
At 1 January 1996 and 31 December 1996	<u>-</u>	<u>-</u>

9 Reconciliation of movement in equity shareholders' funds

	1996 £'000	1995 £'000
Profit for the financial year	-	-
Opening equity shareholders' funds	<u>-</u>	<u>-</u>
Closing equity shareholders' funds	<u>-</u>	<u>-</u>

10 Contingent liability

The company has guaranteed the overdrafts of other group companies amounting to £1,812,000 at 31 December 1996 (1995: £3,618,000).

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

11 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.

12 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.