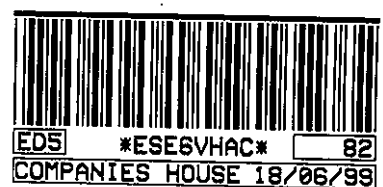


Lemmington Estates Limited  
Annual report  
for the year ended 31 December 1998

Registered no: 1458612



Lemmington Estates Limited

Annual report

for the year ended 31 December 1998

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# **Lemmington Estates Limited**

## **Annual report for the year ended 31 December 1998**

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## **Directors' report for the year ended 31 December 1998**

The directors present their report and the audited financial statements for the year ended 31 December 1998.

### **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.

### **Directors**

The directors of the company, at 31 December 1998, all of whom have been directors for the whole of the year ended on that date, are listed below:

W I Waites  
J R Anderson  
M P Windle  
G Hall

### **Directors' interests**

None of the directors held any shares in the issued share capital of the company at 31 December 1998.

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.

## Year 2000 computer compliance

The Company has implemented a review to identify all of its systems which are not 2000 compliant, and it is intended that all systems will be compliant by mid 1999. The total cost of this review is currently unknown. In accordance with established accounting guidelines, it is intended that the costs will be written off to the profit and loss account in the years in which they are actually incurred.

## 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 1998. 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers will be proposed at the annual general meeting.

## By order of the board



Secretary  
12 May 1999

## **Report of the auditors to the members of Lemington Estates Limited**

We have audited the financial statements on pages 4 to 8, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 2 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

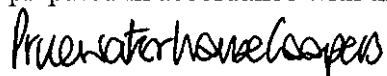
### **Basis of opinion**

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 1998 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  
12 May 1999

**Profit and loss account  
for the year ended 31 December 1998**

	Notes	1998 £'000	1997 £'000
Turnover		7,070	5,267
Cost of sales		(7,070)	(5,267)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	-
Taxation	4	-	-
		<hr/>	<hr/>
Retained profit for the financial year	7	-	-
		<hr/>	<hr/>

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 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 1998**

	Notes	1998 £'000	1997 £'000
<b>Current assets</b>			
Debtors	5	221	-
Cash at bank		-	167
<b>Creditors: amounts falling due within one year</b>	6	(221)	(167)
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Called-up share capital	7	-	-
Profit and loss account	8	-	-
<b>Equity shareholders' funds</b>	9	<u>-</u>	<u>-</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 12 May 1999 and were signed on its behalf by:



Director



**Notes to the financial statements  
for the year ended 31 December 1998****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.

**2 Employee information**

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

	1998 Number	1997 Number
Administration and sales	24	24
Building and development	360	284
	<u>384</u>	<u>308</u>
	<u><u>384</u></u>	<u><u>308</u></u>
	1998	1997
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	6,482	4,845
Social security costs	588	422
	<u>7,070</u>	<u>5,267</u>
	<u><u>7,070</u></u>	<u><u>5,267</u></u>

## 3 Directors' emoluments

The emoluments of the company's directors are paid through other group companies and are not recharged to the company. They are directors of a number of group companies and it is not possible to make an accurate apportionment of their emoluments in respect of their services to each group company.

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

Similarly, as the emoluments of J R Anderson and M P Windle are paid by Cussins Homes Limited they are disclosed in that company's financial statements.

The emoluments of G Hall are disclosed in the financial statements of Cussins Homes (North) Limited.

## 4 Taxation

The company's corporation tax charge for the year ended 31 December 1998 was £Nil (1997: £Nil).

## 5 Debtors

	1998 £'000	1997 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	221	-
	<u>221</u>	<u>-</u>

## 6 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Bank overdraft	31	-
Other taxation and social security payable	167	137
Other creditors	23	30
	<u>221</u>	<u>167</u>

**7 Called-up share capital**

	1998	1997
	£	£
Authorised, allotted, called-up and fully paid 100 (1997: 100) ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>

**8 Profit and loss account**

	£'000
At 1 January 1998 and 31 December 1998	-
	<u>          </u>

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

	1998 £'000	1997 £'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 £5,791,000 at 31 December 1998 (1997: £555,000).

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

**11 Related party transactions**

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.