



Crown Way Cardiff CF14 3UZ
www.companieshouse.gov.uk

NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.

COMPANY INFORMATION SUPPLIED BY COMPANIES HOUSE

Companies House is a registry of company information. We carry out basic checks to make sure that documents have been fully completed and signed, but we do not have the statutory power or capability to verify the accuracy of the information that companies send to us. We accept all information that companies deliver to us in good faith and place it on the public record. The fact that the information has been placed on the public record should not be taken to indicate that Companies House has verified or validated it in any way.

1589624

EARNINGS PER SHARE - PENCE

11

5

• 25

• 20

• 15

• 19

• 4

- 26.2p
- 25.2p
- 21.5p
- 23.3p
- 20.7p
- 33.3p

• 9.25p
• 8.25p
• 7.2p
• 6.6p
• 6.0p
• 10

3

15

• 25

•	9.25p
•	8.25p
•	7.2p
•	6.6p
•	6.0p
•	
10	



Strengthening Our Core Businesses

CHAIRMAN'S REVIEW

In 1989 we achieved significant growth in our core businesses, Northern House Building and Commercial Development, in line with our long term objectives and in the South East we have taken firm measures to respond to the downturn in the residential market. This is reflected in pre-tax profits before provisions, which rose 53% to £4.2 million.

The Board has considered it prudent to make a provision of £1.4m. arising from the joint Southern house building operation of Cussins Green in the 1989 results, rather than allowing losses to show through in 1990. The provision reflects the continuing downturn in demand for Southern housing and the resultant carrying costs of holding stock at present rates of interest.

In addition, where land is held undeveloped, interest costs have been written off and not capitalised. Our aim is to break even in the South East in 1990. Sales incentives are being offered and a very close control is in place over work in progress to ensure that building costs are only expended if they produce completed sales.

In contrast, North East residential development produced excellent figures with turnover up 32% to £20m. Profit margins also increased from 23% to 31% for the year, resulting in a gross profit for the Division of £6.1m.

We have a broad and diversified commercial development programme in sectors such as industrial and provincial offices and in regions where we envisage the maximum potential for uplift. In general we do not embark upon major schemes without substantial pre-letting or funding. This year we expect to benefit from a string of

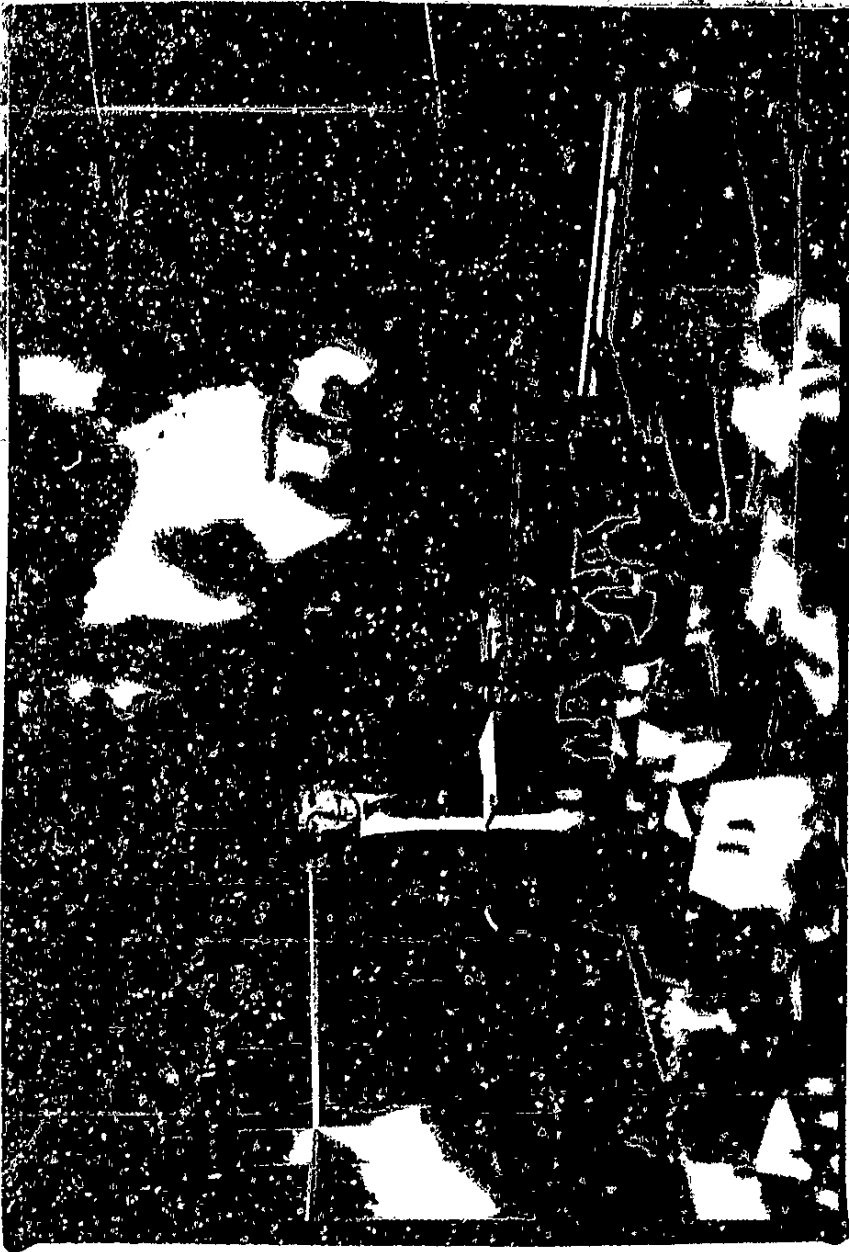
development property sales, the most significant of which is our 100,000 sq ft Erskine House office refurbishment in the heart of Edinburgh's financial sector.

Rental income rose by 12% to £1.6m. No properties from the investment portfolio were sold during the year. In view of the uncertain market in retail property where most of our assets reside, the value of the portfolio was £24.58m, virtually unchanged from the previous year. The Net Asset Value at 31 December 1989 was £21.8m, representing 306p per share. Rental income is set to rise in 1990 primarily as a result of rent reviews.

Pressure for increased investment in the profitable core areas of operation is intense particularly as many good commercial development opportunities are appearing in the current downturn. It is, therefore, conceivable that we might reduce our exposure from Southern Housebuilding to increase our capital commitment elsewhere, thereby incurring further short term losses in the joint residential business.

Overall, the year has begun satisfactorily for the Group and we are set to benefit from a sound residential programme in the North East, coupled with the probable completion of longer term commercial schemes. Due to the timing of this year's completions in the commercial and residential programme, the majority of profit will be derived in the second half of the year.

Further ahead, we are involved in a number of exciting projects, such as Royal Quays, a £200,000,000 consortium development on the quayside near Newcastle, which should supplement our established



PETER CUSSINS

forward programme and lead to secure growth in the 1990's.

The quality and diversity of our programme gives me confidence to predict a successful outcome for the current year. In view of this progress and with confidence in the future your board is pleased to recommend a final dividend of 5.5p, making a total of 9.25p for the year, an increase of 12%.

Peter Cussins

CHAIRMAN,
CUSSINS PROPERTY GROUP plc

CHAIRMAN, CUSSINS PROPERTY GROUP plc

MANAGING DIRECTOR, CUSSINS HOMES LIMITED

OPERATIONAL REVIEW

North East Residential Market Booms While South East Declines

Our focus housing business began in February 1977. Initially, we kept our eye on the market and saw a strong demand for new housing, which had been largely ignored for 15 years. The market was very hot and we saw a real opportunity to get in early and build a strong business. We saw a real opportunity to get in early and build a strong business. We saw a real opportunity to get in early and build a strong business.

The market has been very strong since 1977, producing substantially higher profits. Turnover rose by 32% to £10m, producing a gross profit of £5.1m, a 60% increase. Profit margins for the year rose to a record 31%, which is an 8% rise over the past 12 months and a 10% increase since 1976. Our average house price rose to £50,000 which is higher than any other house in the area and is reflected by more people.

Reservations this year are progressing so well, that we currently have 150 more reserved than we had in 1976. In the period it takes production to start, we have a backlog of 100 houses which is a record for the company. The circumstances which produced all the above are not unique to the North East economy, with some factors being not applicable to the South East economy, with some factors being not applicable to the North East economy, with some factors being not applicable to the North East economy.

Factors such as the fact that the North East economy is not as strong as the South East economy, with some factors being not applicable to the North East economy, with some factors being not applicable to the North East economy, with some factors being not applicable to the North East economy.



*"Houses don't build themselves, you've got to have
the right people and our success is not just down to me,
I can assure you, but to a very skilled team."*

MANAGING DIRECTOR

CUSSINS HOMES LIMITED

CUSSINS HOMES LIMITED



SITE SALES COORDINATOR, CUSSENS HOMES LIMITED

DIRECTOR, CUSSENS HOMES LIMITED

CUSSENS HOMES LIMITED

"Cussens Homes care a
 very good name for quality
 and value which really
 helps us to sell them.
 Often our customers want
 to move from one Cussens
 home to another because
 they know we pay
 attention to the details
 that make the difference."

OPERATIONAL REVIEW

Good design and value for money are key elements in the success of the Division. This month, we are introducing a new and improved range of properties at prices varying from £42,000 to £250,000. These can be built at the same cost per square metre as the current range.

Our reputation for quality has helped establish a customer loyalty in the North East. Whilst traditionally we have been best known at the higher end of the market, our current programme is largely lower to middle range, from £39,000 to £80,000, where we perceive the strongest forward demand. We are however building properties covering a wide range of prices from £39,000 for first time buyers to £250,000 on the Gosforth Rugby Club site in Newcastle.

Our new range of properties is based on a design which we pioneered on a joint Cussins Green site in Durham, where we are currently building some 40 units for this year's programme. These properties have been well received and have resulted in record prices and demand for a project at that part of Durham.

Further South, all our joint projects continue to suffer from a weaker market place and, in consequence, we are budgeting for only 60 completions in 1990, which will leave 2 years' land supply based on an annual turnover of 100 units.

The quality of reservations taken this year is higher than in 1989.

In order to assist purchasers, we are offering part exchange and shared equity schemes, together with discounts to those who can proceed quickly. Our policy is to build to sales and no work is being undertaken on sites unless the property concerned is contracted for sale. On some sites where we have planning permission for low density development, we are seeking approval to improve the mix by providing a higher number of properties at lower prices, thereby improving viability and demand.

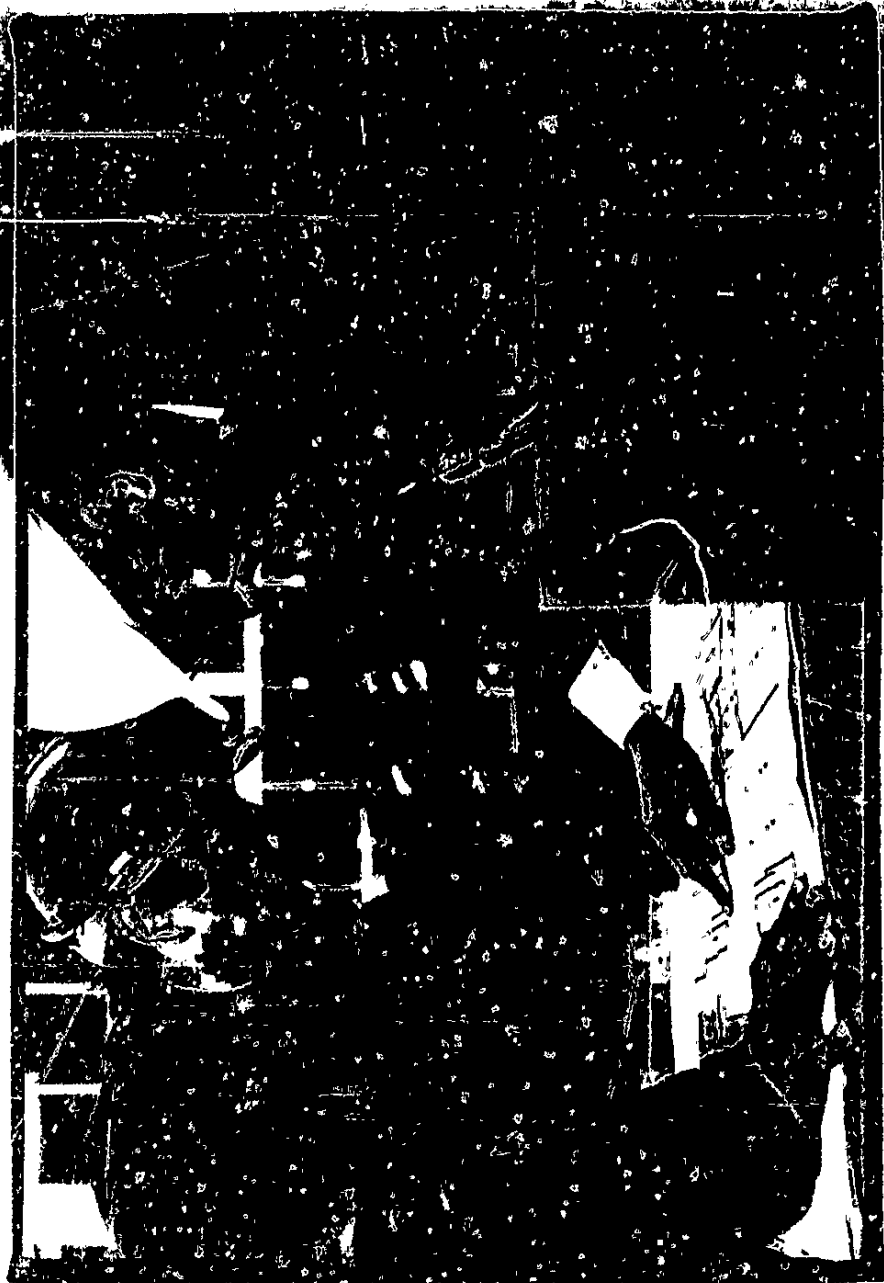
In the South, 1990 will be a tough year and a reduction in interest rates is an important factor in building a sounder platform to produce a healthier market place.

A Broad and Diversified Commercial Programme

We have a broad and diversified commercial development programme, combining shorter and longer term schemes in sectors where we foresee long term growth such as industrial and provincial offices and in regions away from the capital where we foresee the maximum potential for uplift such as the South West, the Midlands, the North East and Scotland.

Most of our commercial projects are undertaken jointly with overseas citizens on sites which have been acquired by private negotiation prior to the benefit of planning permission. This year we should see the completion of profitable schemes in Scotland and elsewhere and in other

Since the beginning of the year there is some evidence of a slow down in demand for certain types of property and there has been a withdrawal by some institutions from the lending market. The Group is not substantially exposed on any speculative schemes, carefully selecting future projects which have low risk but which will appeal to institutions because of their quality.



"Ralph and the team have done a great job here. Everything's moving so fast, only 5 months ago there were 2 less floors on this building."

RALPH MESSHAM,

PROJECT COORDINATOR, COUSINS HOMES LIMITED

ALASDAIR MACKENZIE,

MANAGING DIRECTOR, COUSINS COMMERCIAL DEVELOPMENTS LIMITED

USE

OFFICE

Square Feet
120,000

Planned

Completion

Date
1991.2

Well located site next to Sainsburys

and close to Cheltenham & Gloucester

Building Society H.Q. It will be

developed for B1 office space in

phases over the next 3 years and

should benefit from anticipated

growth in rental values in South West.

USE

INDUSTRIAL

DISTRIBUTION

Sq

2,400

40

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

1991.2

"Good design makes commercial sense."

ARCHITECTURAL DIRECTOR,

CUSSINS COMMERCIAL DEVELOPMENTS LIMITED



A Strong Investment Portfolio

OPERATIONAL REVIEW

Our investment portfolio continued to benefit from increasing income as a result of rent reviews and new lettings. The net rent rose by 12% to £1.6m and we anticipate a further rise in 1991.

Most of the portfolio is retail, principally comprising two new covered shopping precincts developed by the Group. The Denmark Centre on Tyneside and the Aylesham Centre in London. Both are fully let and the latter will benefit from substantial rent reviews commencing in 1991. Our properties are centrally located where the majority of traders are national multiple retailers, mainly

selling necessity items, less affected by the current retail downturn. Both centres report satisfactory trading conditions.

The property portfolio at the end of 1989 was valued at £24.6m, the same as in 1988. This is due to the current uncertain market, but we expect increasing value once short term uncertainties are out of the way. The portfolio provides high quality income to the Group and we intend to continue to add to it from our completed development programme, as and when suitable opportunities are identified.

The directors have pleasure in submitting their report together with the audited accounts for the year ended 31 December 1989.

A review of the Groups business is given in the Chairman's Review and Operational Review on pages 2 to 11.

Activities

The business of the Cussins Property Group and its subsidiaries is the development of commercial, industrial and residential property, and the creation of a commercial investment portfolio.

Dividends and profit retained

The directors recommend the payment of a final dividend of 5.5p per share. This, together with the interim dividend of 3.75p per share, will make a total of 9.25p for the year. The final dividend will be paid on 6 July 1990 to shareholders on the register on 30 March 1990. The dividends paid and proposed amount to £659,103 leaving a retained profit of £1,206,085.

Property valuation

The investment properties have been valued by two directors on the basis of 'open market value' as defined by the Guidance Notes on the Valuation of Assets issued by the Royal Institution of Chartered Surveyors in August 1976 and April 1981.

The result incorporated in the financial statements to 31 December 1989 shows a cumulative net surplus of £7,162,447 attributable to ordinary shareholders.

Directors

The names of the directors of the company are set out on page 29. Mr H R M Dixon resigned as a director on 31 March 1989.

Messrs J F Gregory and B M Wyllie are non-executive directors.

J F Gregory, a stockbroker, is 55 and joined the board of the company in June 1983. He is a corporate finance director of agency stockbrokers, Beeson Gregory Ltd, and has been involved in corporate finance for 30 years.

B M Wyllie, a banker, is 64 and joined the board in April 1986. Prior to joining the board he was Northern Regional General Manager of

Lloyds Bank and has recently completed a three year term as a non-executive director of the Northern Regional Board of Lloyds Bank. Mr B M Wyllie retires and offers himself for re-election.

Directors' interests

The interests of the directors in the ordinary shares of the company including particulars of options granted under the Cussins Property Group plc Executive Share Option Scheme are as follows.

	31 December 1989		31 December 1988	
	Fully paid	Under option	Fully paid	Under option
P1 Cussins				
Beneficial	2,241,439	—	2,241,436	—
Non beneficial	865,150	—	865,150	—
J F Gregory	2,499	—	2,499	—
B M Wyllie	1,250	—	1,250	—
W I Waines	20,325	50,000	20,325	50,000
J A Mackenzie	15,005	65,000	15,005	65,000

Mr W I Waines was granted options on 66,363 shares on 6 April 1990.

There have been no other changes to the share holdings in the period to 27 April 1990.

Substantial holdings

The company has been notified that the Prudential Corporation Group of Companies is interested in 569,657 shares in the company (7.99% of the issued ordinary share capital) and that The Throgmorton Trust PLC is interested in 1,199,898 shares in the company (16.84% of the issued ordinary share capital).

Contracts

No director had during the year any material beneficial interest in any contract of significance to the group's business except for the following:

Mr W I Waines is a partner in Keenleyside & Forster, Solicitors, which receives normal professional fees in connection with work carried out for the group.

Charitable and political contributions

Charitable contributions amounted to £3,417. There were no political contributions.

DIRECTORS' REPORT

Special business at the annual general meeting

Shareholders will hear from the directors and the General Manager of the company at the annual general meeting on Wednesday, 10th March, at 10.30 a.m. in the Grand Ballroom of the Grosvenor Hotel, Grosvenor Gardens, London, W.1.

The directors will report on the company's performance during the year ended 31st December 1987. They will also discuss the company's financial position and the results of its operations. The General Manager will report on the company's operations during the year and will also discuss the company's financial position and the results of its operations. The directors will also discuss the company's financial position and the results of its operations.

The directors will also discuss the company's financial position and the results of its operations. The General Manager will also discuss the company's financial position and the results of its operations. The directors will also discuss the company's financial position and the results of its operations.

The directors will also discuss the company's financial position and the results of its operations. The General Manager will also discuss the company's financial position and the results of its operations. The directors will also discuss the company's financial position and the results of its operations.

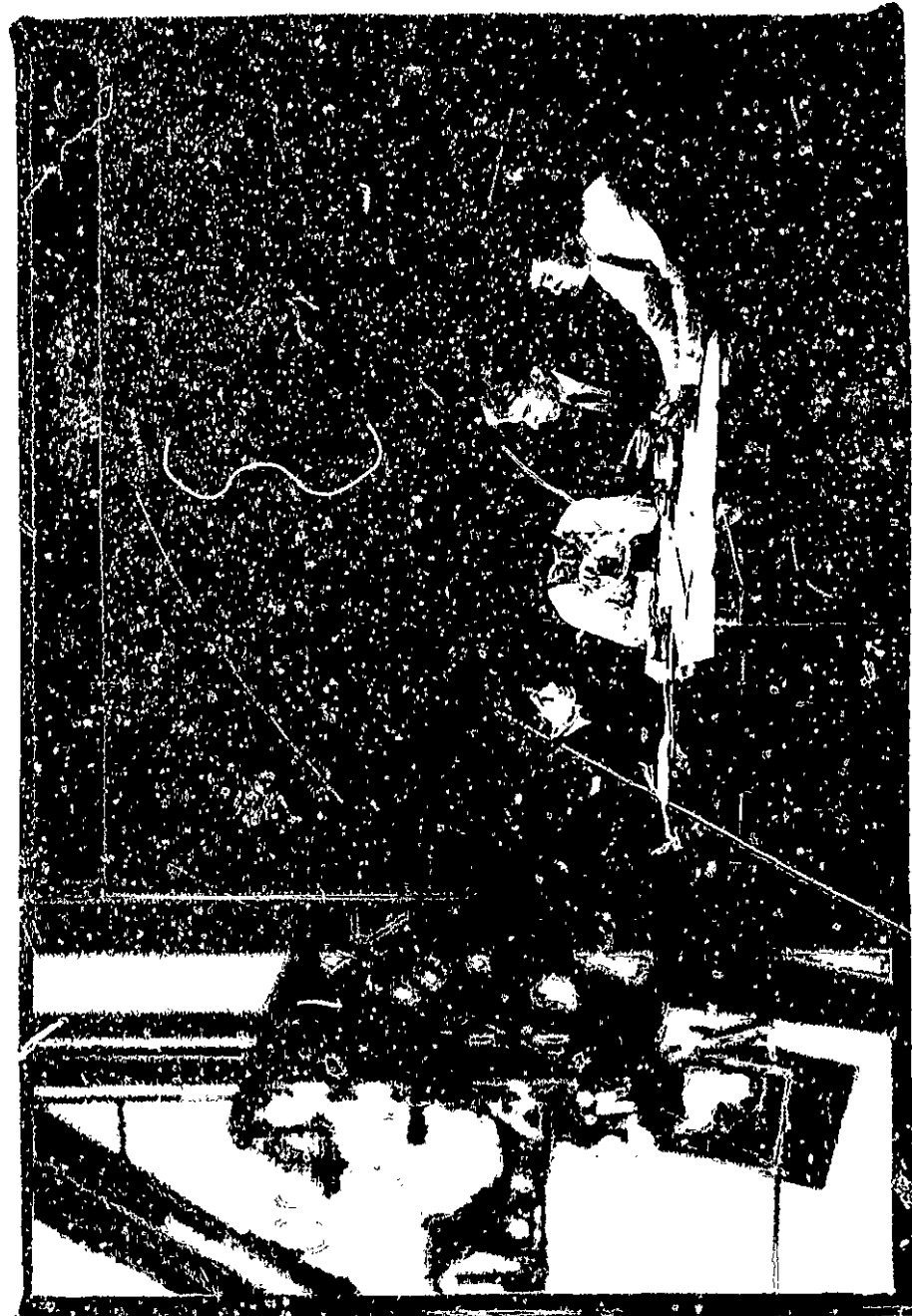
Auditors

Our auditors, Deloitte Haskins & Sells, have resigned their practice with Guyper & Lebrand and no practice in the name of Guyper & Lebrand Deloitte. They have signed their audit report on their own name.

In accordance with Section 344 of the Companies Act 1985, a resolution proposing the appointment of Guyper & Lebrand Deloitte as auditors to the company will be put to the annual general meeting.

David

Director



CHAIRMAN

COMPANY SECRETARY

DIRECTOR

DIRECTOR

**GROUP PROFIT
AND LOSS ACCOUNT**

For the year ended

31st December 1989

	Notes	1989
Turnover.....		22,497,914
Cost of sales	1(b)	(15,750,639)
Gross Profit		6,747,275
Administrative expenses		(2,130,317)
Other operating income	2	1,647,377
Operating Profit		6,264,335
Interest receivable	3	818,789
Profit on disposal of investment property		-
Profit Before Interest Payable, Associated Companies Results and Taxation		7,083,124
Interest payable	4	(2,390,205)
Share of (loss)/profit of associated companies		(1,940,359)
Profit on Ordinary Activities Before Taxation	5	2,752,590
Taxation	6	887,402
Profit on Ordinary Activities After Taxation	7	1,865,188
Dividends	8	659,103
Retained Profit	18	£1,206,085
Earnings Per Share	19	36.3p

GROUP BALANCE SHEET

At 31st December 1989

LIABILITIES AND ASSETS

	Notes	1989 £
Fired Assets		
Tangible assets - investment properties	10 & 1(e)	24,583,000
- other	11	651,714
Goodwill	1(f)	282,807
Investments	13(b)	(1,114,166)
		<u>24,402,355</u>
Current Assets		
Stock	1(c) & 14	10,406,458
Debtors	15	3,556,482
Cash at bank and in hand		594,043
		<u>14,556,983</u>
Current Liabilities: Creditors Due Within One Year	16	<u>(5,106,764)</u>
Net Current Assets		<u>9,450,219</u>
Total Assets Less Current Liabilities		<u>33,858,574</u>
Creditors Due After More Than One Year	16	<u>(12,050,000)</u>
Net Assets		<u>£21,808,574</u>
Capital and Reserves		
Called up share capital	17	1,425,089
Share premium account	18	4,142,064
Revaluation reserve	18	7,162,447
Profit and loss account	18	9,078,974
		<u>£21,808,574</u>
Shareholders' Funds		<u>£21,808,574</u>

The financial statements on pages 14 to 26 were approved by the board of directors on 27 April 1990, and were signed on its behalf by

P I Cussins

W I Wailes

} Directors

W I Wailes

COMPANY

BALANCE SHEET

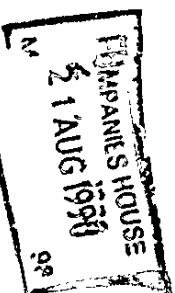
At 31 December 1989

	Notes	1989 £
Fixed Assets		
Shares in group companies	13(a)	4,533,775
Loans owed by subsidiaries		12,677,000
Investment in associated companies	13(b)	15,758
Tangible assets - other	11	171,216
		<u>17,397,749</u>
Current Assets		
Debtors	15	10,737,137
Cash at bank		3,540
		<u>10,740,677</u>
Current Liabilities: Creditors Due Within One Year	16	(7,118,805)
		<u>3,621,872</u>
Net Current Assets		21,019,621
Total Assets Less Current Liabilities	16	(12,050,000)
Creditors Due After More Than One Year		88,969,621
Net Assets		1,422,089
Capital and Reserves		
Called-up share capital	17	4,142,064
Share premium account	18	1,762,348
Revaluation reserve	18	1,640,091
Other reserves	18	29
Profit and loss account	29	<u>88,969,621</u>

The financial statements on pages 14 to 26 were approved by the board of directors on 27 April 1990, and were signed on its behalf by:

P I Cussins
 W I Wailes

} Directors
 W. I. Wailes



STATEMENT OF SOURCE

AND APPLICATION OF

GROUP FUNDS

For the year ended

31st December 1989

	1989
	£
Source of Funds	
Profit before taxation	2,752,590
Items not involving the movement of funds	
Depreciation	217,789
Profit on sale of fixed assets	(3,785)
Share of loss (profit) in associated companies	1,940,329
Total Funds Generated From Operations	4,906,923
Proceeds of disposal of fixed assets	30,878
Total Source of Funds	4,937,801
Application of Funds	
Purchase of fixed assets	(531,503)
Purchase of ground rents	(53,670)
Taxation paid	(491,130)
Dividend paid	(630,602)
Purchase of shares in associated companies	—
Repayment of loan	(200,000)
Total Application of Funds	(1,906,905)
Net Increase in Funds	£3,030,896
Represented by a Net Increase in Working Capital	
Stock	6,719,314
Debtors	(3,211,770)
Creditors	(1,644,425)
	1,863,119
Overdraft	2,022,836
Bank balances and cash	(855,059)
Increase/(Decrease) in Liquid Funds	1,167,777
Net Increase in Working Capital	£3,030,896

NOTES TO THE

FINANCIAL STATEMENTS

For the year ended 31st December 1989

1 Accounting Policies

The group prepares its financial statements on the historical cost basis of accounting, modified to include the revaluation of investment properties.

a) Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the subsidiaries for the year and their holding company, Cussins Property Group plc. In respect of the associated company, the Group's share of income is included in the Group's profit and loss account and the Group's share of net assets is included in investments on the Group balance sheet.

b) Turnover

Represents legal completions of commercial properties and houses during the year.

c) Stock

Land and site development is valued at the lower of cost and net realisable value. Long term contract work in progress comprises costs incurred to date less amounts transferred to the profit and loss account in respect of work carried out to date, provisions for foreseeable losses and applicable payments on account.

d) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged over their estimated useful economic lives on a straight line basis using the following rates:

Machinery and equipment	10% - 25%
Motor vehicles	25%

e) Investment properties

In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The directors consider that this accounting policy results in the financial statements giving a true and fair view.

f) Ground rents

Ground rents are capitalised at the time of sale of the property, on the basis of up to 51 years' purchase.

g) Deferred taxation

Deferred taxation is provided in full using the liability method on all material timing differences to the extent that a liability is likely to crystallise in the foreseeable future.

h) Capitalisation of interest

Interest attributable to the cost of constructing commercial properties is capitalised during the construction period. The construction period ends on technical completion.

i) Pension obligations

The group operates a defined contribution pension scheme for various directors and employees. The charge to the profit and loss account is the amount of contributions payable to the scheme in the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

2 Other Operating Income

	1989
	£
Rents receivable	1,578,210
Development fees	69,167
	<u>£1,647,377</u>

3 Interest Receivable

	1989
	£
Interest receivable from associated companies	817,801
Interest receivable from other sources	968
	<u>£818,769</u>

NOTES TO THE FINANCIAL STATEMENTS

4 Interest Payable

	1989 £
Interest payable on bank loans and overdrafts that are repayable: Otherwise than by instalments wholly within 5 years of the balance sheet date	276,463
By instalments wholly within 5 years of the balance sheet date	2,113,742
	<u>£2,390,205</u>

5 Profit on Ordinary Activities Before Taxation

	1989 £
Profit on Ordinary Activities Before Taxation is after charging:	
Auditors' remuneration	35,000
Depreciation	217,789
Hire of plant and machinery	620,696

6 Taxation

	1989 £
Taxation based on profit for the year at 35% (1988-35%):	
Current	616,035
Consortium relief payable	760,051
	<u>1,376,086</u>
Share of taxation in associated company:	
UK corporation tax at 35%	271,367
Consortium relief receivable	(760,051)
	<u>£887,402</u>

The taxation charge has been reduced by the following amounts as a result of:

Capital allowances	69,000
Capital gains	—

7 Profit On Ordinary Activities After Taxation

	1989 £
Dealt with in the accounts of the holding company	657,400
Retained by subsidiary companies	2,659,433
Retained by associated company	(1,451,645)
	<u>£1,865,188</u>

The company has taken advantage of the relief provided by s228 (7) of the Companies Act 1983 in not presenting its own profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

8 Dividends

Interim dividend of 3.75p per share (1988 – 3.15p per share)
Proposed final dividend of 5.5p per share (1988 – 5.1p per share)

1989
£
267,204
391,899
£659,103

9 Employees and Directors

(a) Staff costs during the year:

Wages and salaries
Social security costs
Other pension costs

1989
£
3,738,495
402,091
94,995
£4,235,581

The pension cost charge represents contributions payable by the company to the fund

The average weekly number of persons employed by the group during the year was:

Administration.....
Building and development

1989
Number
49
236
285

(b) Directors' emoluments

Fees
Aggregate emoluments
Aggregate pension costs
Compensation for loss of office

1989
£
7,000
261,974
8,424
30,000
£307,398

The directors' emoluments disclosed above (excluding pension contributions) were paid to

The chairman
The highest paid director

£73,761
£92,263

NOTES TO THE FINANCIAL STATEMENTS

9 Employees and directors (continued)

And the other directors received amounts in the following ranges:

	1989 Number
£0 - £5,000	1
£5,001 - £10,000	1
£10,001 - £15,000	1
£15,001 - £20,000	-
£20,001 - £25,000	1

(c) Higher paid employees

The number of higher paid employees in the group other than directors, whose emoluments (excluding pension contributions) fell within the following ranges was:

	1989 Number
£30,001 - £35,000	4
£35,001 - £40,000	1
£40,001 - £45,000	4
£45,001 - £50,000	2
£50,001 - £60,000	1

10 Tangible Assets - Investment Properties

The Group

	Total £
At 1 January 1989	24,620,000
Additions	133,985
Revaluation deficit	(165,985)
At 31 December 1989	<u>£24,588,000</u>
Balance comprises:	
Valuation	<u>£24,588,000</u>
Investment properties at net book value comprise:	
Freehold	20,713,000
Long leasehold	<u>3,875,000</u>
	<u>£24,588,000</u>

The investment properties were revalued on 31 December 1989 by the directors at their open market value on an existing use basis. If completed investment properties had not been revalued they would have been included at the following amounts:

	1989
Cost	<u>£17,425,553</u>
Cost of investment properties includes capitalised interest amounting to £2,085,258 (1988 - £2,085,258).	

NOTES TO THE
FINANCIAL STATEMENTS

11 Tangible Assets - Other

	Group			Company		
	Land £	Vehicles plant and equipment £	Total £	Land £	Vehicles plant and equipment £	Total £
Cost						
At 1 January 1989	-	983,439	983,439	-	84,912	84,912
Additions	45,072	352,446	397,518	45,072	65,957	111,029
Disposals	-	(136,129)	(136,129)	-	-	-
At 31 December 1989	45,072	1,199,756	1,244,828	45,072	150,869	195,941
Depreciation						
At 1 January 1989	-	484,361	484,361	-	3,314	3,314
Amount provided	-	217,789	217,789	-	21,411	21,411
Eliminated on disposals	-	(109,036)	(109,036)	-	-	-
At 31 December 1989	-	593,114	593,114	-	24,725	24,725
Net Book Value						
At 31 December 1989	£45,072	£606,642	£651,714	£45,072	£126,144	£171,216
At 31 December 1988	-	-	-	-	-	-
12 Future Capital Expenditure						
The directors have authorised future capital expenditure for the group which amounts to:						
Contracted for				1989		
Not contracted for				ENIL		
13 Investments				ENIL		
(a) Subsidiary companies				Company		
Shares at cost				1989		
				£4,533,775		

NOTES TO THE FINANCIAL STATEMENTS

13 Investments (Continued)

Principal subsidiary companies at 31 December 1989:

	Percentage equity holding	Country of registration and principal country of operation
Cussins Homes Limited	100	England and Wales
Cussins Commercial Developments Limited	100	England and Wales
Cussins Investment Properties Limited	100	England and Wales
Lemington Estates Limited	100	England and Wales
Cussins South Limited	100	England and Wales
Vivian Linacre Estates (North East) Limited	100	Scotland
Rosscarth Limited	100	England and Wales

(b) Investment in associated companies

At cost less amounts written off:

At 1 January 1989 and 31 December 1988

	Group £	Company £
Share of reserves	15,758 (1,129,924)	15,758 —
	<u>£(1,114,166)</u>	<u>£15,758</u>

Associated companies at 31 December 1989:

	Percentage equity holding	Country of registration and principal country of operation
Cussins Green Properties plc	42.42	England and Wales
Cussins Green Developments (Nos 1 - 25) Limited	47.5	England and Wales

The associated companies are owned jointly by the Group and its joint venture partner, Throgmorton Trust Plc.

At the year end the associated companies had work in progress of approximately £37 million, including £28 million relating to housebuilding and £9 million in respect of commercial development. These operations are funded directly by loans totalling approximately £32 million, of which the Group committed £3.2 million at the year end.

14 Stock

	Notes	Group 1989 £
Land and site development	1(c)	10,183,417
Less cash received and receivable		<u>30,325</u>
		10,153,092
Long-term contract balances		<u>253,366</u>
		<u>£10,406,458</u>

NOTES TO THE FINANCIAL STATEMENTS

15 Debtors

	Group	Company
	1989	1989
	£	£
Amounts due within one year:		
Trade debtors	764,443	-
Amounts recoverable on contracts	614,967	-
Amounts owed by subsidiaries	-	7,754,883
Other debtors	299,920	3,030
Prepayments and accrued income	236,048	38,651
Amounts owed by associated companies	1,510,471	2,270,522
Group relief receivable	-	559,418
Amounts due after more than one year:	3,425,849	10,606,504
ACT recoverable	130,633	130,633
	<u>£3,556,482</u>	<u>£10,737,137</u>

16 Creditors

	Group	Company
	1989	1989
	£	£
Amounts due within one year:		
Bank overdrafts	-	5,871,875
Bank loan	450,000	450,000
Trade creditors	2,826,782	48,802
Dividends payable	391,899	391,899
Corporation tax	875,445	219,262
Other taxation and social security payable	165,278	6,259
Other creditors	6,558	2,339
Accruals and deferred income	390,802	128,369
	<u>£5,106,764</u>	<u>£7,116,805</u>

NOTES TO THE FINANCIAL STATEMENTS

16 Creditors (Continued)

	Group 1989	Company 1989
Amounts due after more than one year		
Bank loans	112,050,000	112,050,000
The loan and bank overdrafts are secured by a debenture giving a fixed and floating charge over the assets of Cussins Property Group plc, Cussins Commercial Developments Limited and Cussins Investment Properties Limited, and a floating charge over the assets of Lemington Estates Limited and Cussins Homes Limited		

The loan bears interest at 1 1/4% above Lloyds Bank base rate with an option to change to 1 1/4% above London Inter Bank Offered Rate, which rates increased by 1 1/2% on 27 March 1990.

The loan is repayable:

	1989 £
Within one year	450,000
Over one and under two years	550,000
Over two and under five years	4,170,000
Beyond five years	7,330,000
	<u>12,500,000</u>

17 Called-up Share Capital

	1989
Authorised	
9,500,000 ordinary shares of 20p each	1,900,000
Allocated, called-up and fully paid	
7,125,443 ordinary shares of 20p each	<u>1,425,089</u>

The company has granted options in respect of the following shares under its share option scheme:

Options granted	Number of shares	Period of option	Price per share
1986	50,000	August 1989 - July 1996	254p
1990	211,363	April 1993 - April 2000	157p

Share premium account

	Group £	Company £
At 1 January 1989 and 31 December 1989	1,412,064	1,412,064

NOTES TO THE FINANCIAL STATEMENTS

18 Share Premium Account and Reserves (continued)

	Group £	Company £
Revaluation reserve		
At 1 January 1989.....	7,328,432	1,762,348
Revaluation reduction for year.....	(165,985)	-
At 31 December 1989	<u>£7,162,447</u>	<u>£1,762,348</u>
Other reserves		
At 1 January 1989 and 31 December 1989	-	<u>£1,640,091</u>
Profit and loss account		
At 1 January 1989.....	7,872,889	1,732
Profit for year retained.....	1,206,085	-
Loss withdrawn from reserves	-	(1,703)
At 31 December 1989	<u>£9,078,974</u>	<u>£29</u>

19 Earnings Per Share

Earnings per ordinary share have been calculated on the earnings attributable to ordinary shareholders on the profit after taxation of £1,865,188 (1988 - £1,795,117) and on 7,125,443 (1988 - 7,125,443) shares in issue.

20 Contingent Liabilities

(a) There is a contingent liability for deferred taxation at a rate of 35% (1988 - 35%) as follows:

	1989	Group
Capital allowances	<u>£483,590</u>	<u> </u>

If the group property portfolio was to be realised at book value a taxation liability of £1,533,000 (1988 - £2,085,000) would arise.

(b) There is a contingent liability relating to Cussins Property Group plc, the entity, for cross guarantees in respect of group company overdrafts amounting to £265,983 at 31 December 1989.

(c) The Group has confirmed that it will maintain financial support to certain Cussins Green associated companies to enable them to complete ongoing contracts and to discharge obligations in respect of loans totalling £6.4 million

AUDITORS' REPORT

To The Members of Cussins Property Group plc
We have audited the financial statements on pages 14 to 26 in accordance with Auditing Standards.
In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1989 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leopold von Mandl *Asstitute*

Chartered Accountants, Newcastle upon Tyne, 19th May 1990

NOTICE OF MEETING

Notice is hereby given that the ninth Annual General Meeting of the company will be held at the Savoy Hotel, Strand, London WC2 on 4th July 1990 at 12.30 pm, for the following purposes:

Ordinary Business Resolutions

- 1 To receive and adopt the directors' report and the financial statements for the year ended 31 December 1989.
- 2 To confirm the payment of the interim dividend and declare the final dividend recommended by the directors.
- 3 To re-elect as a director:

Mr B M Wyllie who retires by rotation.

- 4 To reappoint Coopers & Lybrand Deloitte, the retiring auditors, and to authorise the directors to fix their remuneration.

Special Business Resolutions

To consider and, if thought fit, to pass the following resolutions:

- 5 Ordinary resolution (Directors' authority to allot shares)

That:

a) the directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ("the Act") and in substitution for their existing power to allot relevant securities (as defined below) to exercise all the powers of the company to allot relevant securities up to an aggregate nominal amount of £422,638 during the period commencing on the date of

the passing of this Resolution and expiring on 3rd July 1993 (both dates inclusive) but so that this authority shall allow the company to make offers or agreements before the expiry of this authority which would or might require relevant securities to be allotted after such expiry;

- b) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meaning in the Resolution.

6 Special Resolution (Disapplication of Pre-emption Rights)

That subject to the passing of Resolution 5 set out in the Notice of this Meeting:

- a) the directors be and they are hereby empowered, pursuant to section 95 of the Companies Act 1985 ("the Act") and in substitution for their existing power to allot equity securities (as defined below) pursuant to the authority given in accordance with section 80 of the Act by the said Resolution 5 as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

- i) in connection with an offer of securities, open for acceptance for a period fixed by the directors, by way of rights to holders of ordinary shares and (if the directors shall so determine) debentures, subscription warrants and/or other securities in proportion (as nearly as may be) to their holdings on a record date fixed by the directors but

NOTICE OF MEETING

(continued)

subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with problems under the laws of any territory or the requirements of any regulatory body or any stock exchange in any territory or in connection with fractional entitlements or otherwise howsoever; and

ii) (otherwise than pursuant to sub-paragraph (i)) up to an aggregate nominal amount of £71,254 (equal to five per cent of the nominal amount at 31 December 1989 of the company's issued ordinary share capital) and so that this sub-paragraph (ii) shall extend to equity securities which by their terms do not require to be paid up whether on issue thereof or at any other time.

During the period commencing on the date of the passing of this Resolution and expiring at the conclusion of the Annual General Meeting of the company in 1991, but so that this power shall enable the company to make offers or agreements prior to the expiry of this power which would or might require equity security to be allotted after the expiry of this power and notwithstanding its expiry the directors may allot equity securities in pursuance of such offers or agreements;

b) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings in this Resolution.

Notes

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

A proxy need not be a member of the company.

The following documents will be available for inspection at the registered office, during business hours from the date of this notice until the date of the annual general meeting, and on that date they will be available for inspection at the place of the meeting from 12.15 am until the conclusion of the meeting:

1 Copies of contracts of service of the directors with the company;

2 A statement of all transactions of directors (and of their family interests) in the share capital of the company for the past year.

Director of the Board

Company Secretary

12th May 1991

English Secretary

Registered Office

Company

Newcastle upon Tyne

12th May

DIRECTORS AND AUDITORS

P L Gordon BSc (Chairman)
J A Macdonald FRCG
W I Wailes
J F Gregory (non executive)
B M Wylie FCB (non executive)

M P Wendle FCA
Eagle Star House
Regent Centre
Godforth
Newcastle upon Tyne NE5 3QW

155 Bishopgate
London EC2M 3XJ

Coopers & Lybrand Deloitte
Hillman House
Highnam Place
Newcastle upon Tyne NE1 1NP

Lloyds Bank PLC
Registrar's Department
Garting-by-Sea
Widening
West Sussex BN12 6DA

Lloyds Bank PLC
Grey Street
Newcastle upon Tyne NE39 1NH

Pearman Gordon & Co Limited
8 Moorfields High Walk
London EC2Y 9DS

Seaton Gregory Limited
The Registry
Royal Mint Court
London EC3N 4EY

The results of the Group are normally published at the following times:		Dividend payments on the Group's ordinary shares of 20p each are normally made at the following times:	
Interim report for the six months to 30 June	Early October	Interim dividend	Late November
Preliminary announcement for year to 31 December	March	Final dividend	Early July
Report and financial statements to 31 December	End April	Annual General Meeting	Late June

FINANCIAL CALENDAR



**Develop
the Power
to Build
our Bu**