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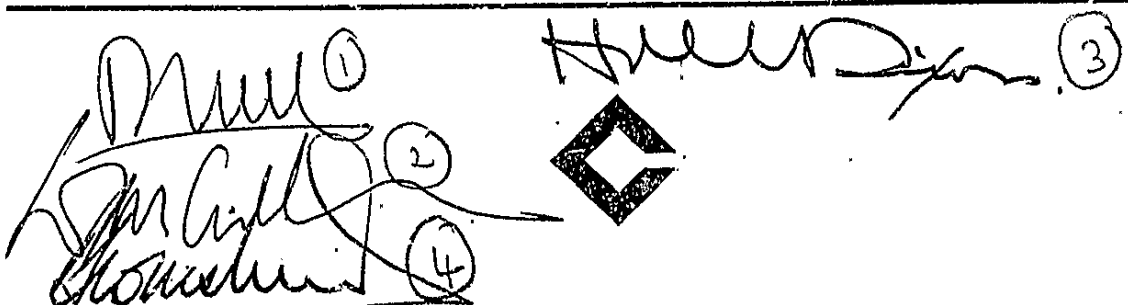
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Two copies of this document, having attached thereto the documents referred to below, have been delivered to the Registrar of Companies for registration.

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Cussins Property Group plc ("the Company"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Application has been made to the Council of The Stock Exchange for the Ordinary Shares of 20p each in the Company, issued and to be issued as mentioned herein, to be admitted to the Official List.


CUSSINS PROPERTY GROUP plc
(Incorporated in England under the Companies Acts 1948 to 1980 — No. 1589824)

PLACING

— by —

CAPEL-CURE MYERS

— of —

Gregory
as agent for and on behalf of
not less than one half of
the partners of Capel-Cure Myers
and each of them

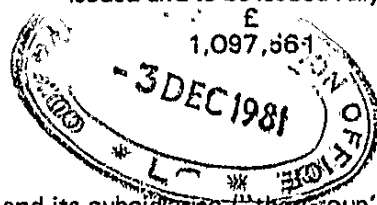
**1,400,000 Ordinary Shares of 20p each at 82p per share
payable in full on application.**

Authorised
£
1,400,000

SHARE CAPITAL

in Ordinary Shares of 20p each

Issued and to be issued fully paid



INDEBTEDNESS

At the close of business on 18th November, 1981 the Company and its subsidiaries ("the Group") had outstanding secured loans of £45,000, secured indebtedness of £100,000, overdrafts of £558,885, contingent liabilities of £112,500 in respect of performance bonds and further contingent liabilities referred to in paragraph 10 (g) of the Accountants' Report below.

Save as aforesaid, and apart from inter-company liabilities within the Group at that date, no company in the Group had outstanding, or created but unissued, loan capital (including term loans) or any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, hire-purchase commitments, guarantees or other material contingent liabilities.

Directors

Peter Ian Cussins, B.Sc. (Chairman and Managing Director),
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

William Malcolm Aitchison, FRICS (Group Commercial Director),
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

Harry Roberts Marsham Dixon, FRIBA (Technical Director),
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

Anthony Ernest Swaisland, FRICS (Group Commercial Director),
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

Secretary and Registered Office

George Hall,
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

Bankers

Lloyds Bank Limited,
9-17 Collingwood Street,
Newcastle upon Tyne NE99 1RH

Stockbrokers

Capel-Cure Myers,
Bath House,
Holborn Viaduct,
London EC1A 2EU
and at The Stock Exchange

Solicitors to the Company

Norton, Rose, Botterell & Roche,
Kempson House,
Canomile Street,
London EC3A 7AN

**Solicitors to Lemington
Estates Limited**

Keenlyside & Forster,
Lloyds Bank Chambers,
Collingwood Street,
Newcastle upon Tyne NE1 1JL

Solicitors to the Placing

Travers Smith, Braithwaite & Co,
6, Snow Hill,
London EC1A 2AL

**Auditors and
Reporting Accountants**

Deloitte Haskins & Sells (Chartered Accountants),
Hadrian House,
Higham Place,
Newcastle upon Tyne NE1 8BP
and

128, Queen Victoria Street,
P.O. Box 207,
London EC4P 4JX

Valuers

Barnard Thorpe and Partners (Surveyors and Valuers),
Blossoms Inn,
23 Lawrence Lane,
London EC2V 8DA

Registrars and Transfer Office

Lloyds Bank Limited,
Registrars Department,
Goring-by-Sea,
Worthing,
West Sussex BN12 6DA

LETTER FROM THE CHAIRMAN

The following is a copy of a letter to Capel-Cure Myers from Mr. Peter Cussins, the Chairman of the Company:—

Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne,
NE3 3QW

3rd December, 1981

Gentlemen,

INTRODUCTION

In connection with the placing of 1,400,000 Ordinary Shares of 20p each in Cussins Property Group plc ("the Company"), I am writing to provide you with information concerning the Company and its subsidiaries ("the Group").

The Group has three main areas of activity: residential development, commercial and industrial development, and the development and retention of a growing portfolio of commercial properties held for investment.

My family has been involved in the contracting industry and property development in North East England since the 1920's. The Group has its origins in Lemmington Estates Limited ("Lemmington"), which I started some ten years ago to develop residential property in the Newcastle upon Tyne area. By the mid-1970's Lemmington had become well established as a housebuilder and had generated both the necessary expertise and the financial resources to enable the Group to undertake commercial and industrial developments designed to meet the capital and income requirements of investing institutions. The Group is now of a size that a listing is a logical step in its development.

During the last five years the Group has completed nine commercial and industrial property developments ranging in size from about 10,000 to 40,000 square feet, including our first major town centre shopping complex. Such developments have in the main been pre-let to leading retail and commercial groups. It is expected that the final phases of our largest development to date, a 95,000 square foot industrial estate in Newcastle upon Tyne, will be completed next year.

The Group has retained six commercial investment properties in its own portfolio, which has shown excellent capital growth. These properties, together with further property held for development and ground rents, have recently been professionally valued at £3.28 million compared with a cost of £1.38 million. It has been my long-term objective to create a substantial commercial investment property portfolio and the Group has therefore foregone short-term development profits which if taken would have resulted in a more progressive profit record.

It will continue to be our central policy to add to our investment property portfolio in order to provide the Group with a growing asset base and an increasing rent roll.

RESIDENTIAL DEVELOPMENT

I see a continuing need to adopt a flexible approach to the changing requirements of the housing market. For this reason we do not carry a large land bank. It is our policy to acquire prime quality sites which Lemmington, our housebuilding subsidiary, can develop with the minimum of delay. We have always placed great emphasis on design, standards of workmanship and fair pricing and consider that these have been the principal factors enabling us to maintain a healthy level of reservations and sales ahead of our production schedule. Properties are offered for sale at a fixed price at an early stage in their construction and this gives purchasers time to sell their existing properties or arrange any necessary finance. This also enables building work to be completed without delaying the development programme.

I have always believed that it is better to build high quality houses with good profit margins, rather than feel bound to pursue high volume turnover with its attendant risks. Over the past ten years Lemmington has built and sold over 1,000 houses at some 20 locations in the North East. Details of sales in the past five and a half years are given in paragraph 9 of the Accountants' Report. We currently own 12 sites with planning permission for a total of 310 units. At 31st October, 1981 280 units were at various stages of development on 9 sites and of these 16 units were under contract to be sold, a further 68 reserved subject to contract, 12 ready for sale but not reserved or under contract and 184 had not been released for sale. It is our policy to take profits on our houses on completion of the sale.

Most of our properties sell in the £22,000 to £40,000 price range, although we are at present building a limited number which sell for around £70,000. Our houses are marketed through estate agents and all carry the National House Building Council's ten year protection certificate. I believe that our houses are built to high standards of craftsmanship. This is assisted by the fact that many of our employees have been with us for a number of years; indeed, some were previously employed by my father's construction company.

We have a forward building programme which at current rates of development will ensure a full workload into 1983. Further sites which are suitable for development by Lemmington have already been identified for potential purchase.

INVESTMENT PROPERTIES

As stated above the Group has retained six developments to form the nucleus of its investment property portfolio. These properties, together with Handyside Arcade, Phases II and III of Fenham Barracks and ground rents, appear in the valuation below at an aggregate amount of £3.28 million compared with an original cost of £1.38 million. The current net annual rents receivable from the six investment properties, Handyside Arcade and ground rents are approximately £172,000. The current estimated net annual rental value is approximately £271,000.

COMMERCIAL AND INDUSTRIAL DEVELOPMENTS

It is our policy to undertake commercial and industrial property developments designed for sale to investing institutions or for retention in our own portfolio of investment properties. Since 1976 nine commercial and industrial schemes, including Phase I of Fenham Barracks, have been completed and a further development is nearing completion. Six have been retained as investment properties and four sold or contracted to be sold to investing institutions. These developments have all been in the North East except for the Rankin Gait Centre at Carlisle in Lanarkshire.

The Group has found and developed a number of store sites for leading retailers. Boots has occupied three of the units and Allied Suppliers has leased two of our stores and has agreed in principle to become the major occupant of a projected town centre development in the North East. We plan to expand our connections with major retailers and to undertake some future developments outside the North East. Commercial and industrial property developments undertaken by the Group to date are summarised below:—

Property	Type of development	Development commenced	Cost of development	Date of sale	Sale proceeds or valuation at 16th November, 1981
Causton House, Newcastle upon Tyne	offices and shopping	July, 1976	£1,000 140	retained	640
Front Street, Chester le Street	shopping	August, 1977	222	retained	1,125
Regent Farm Road, Gosforth	shopping	July, 1979	152	retained	200
Brunel Street I, Newcastle upon Tyne	warehousing	November, 1978	108	May, 1979	151
Alnwick, Northumberland	shopping	July, 1979	257	March, 1980	305
Stonhopes Green Arthurs Hill, Newcastle upon Tyne	shopping	February, 1980	146	retained	335
Brunel Street II, Newcastle upon Tyne	warehousing	December, 1979	57	retained	70
Fenham Barracks I, Newcastle upon Tyne	industrial	January, 1980	398	retained	540
Consett, County Durham	shopping and offices	March, 1980	1,387	April, 1981	1,726
Rankin Gait Centre, Carlisle	shopping	June, 1981	(estimated) 570	December, 1981	816

Current Developments

Fenham Barracks, Newcastle upon Tyne

This development of an industrial and warehouse complex on a seven acre site, one mile from the city centre, leased from Newcastle City Council for a term of 125 years. The total development is 95,000 square feet to be constructed in three phases, of which Phase I, comprising 30,000 square feet, is now complete. Crown Paints occupy one of the units and terms, subject to formal lease, have been agreed with a number of other tenants. Phase II, comprising 50,000 square feet, is due to be completed during 1982. Terms have been agreed, subject to formal lease, for the whole of Phase III, comprising 15,000 square feet, to be let to Lloyds Bank Limited and Midland Bank Limited. Construction of Phase III is due to commence in the spring of 1982 for completion by the end of the year. We intend to retain the whole of this development in our investment portfolio.

Rankin Gait Centre, Carlisle, Lanarkshire

This town centre site totals some 22,000 square feet. The development, which it is expected will be completed by the end of 1981, will consist of a supermarket, which has been let to Allied Suppliers, and four shop units. It has been pre-sold to Scottish Metropolitan Property.

Future Developments

The Group owns one site scheduled for future development:

Handyside Arcade, Percy Street, Newcastle upon Tyne

This freehold two storey retail arcade comprises some 40,000 square feet in the city centre. It is intended that these premises be refurbished and reconstructed to institutional standards to provide 36 shop units. Outline planning consent has been obtained to construct an elevated pedestrian mall integrating the new scheme with Eldon Square, Newcastle's main shopping centre.

Whilst the Group is constantly investigating other potential developments, which may therefore take precedence, it is presently expected that the future developments below will be undertaken over the next two to three years. The Group has agreed, subject to contract, to take ground leases on the following three sites:—

Stamfordham Road, Newcastle upon Tyne

Outline planning consent has been obtained for the development of a 20,000 square feet retail warehouse on this leasehold site. Terms have been agreed in principle to let the completed development to B & Q Retail, a subsidiary of F. W. Woolworth and Co.

Henry Street, Gosforth, Newcastle upon Tyne

This site links into the existing Regent Centre, which is a prime office location in the North East and is close to the metro station. Detailed planning consent has been granted for the Group to develop 10,000 square feet of office space.

John Dobson Street, Newcastle upon Tyne

This site is situated in a central location close to Newcastle Civic Centre and Northumberland Street, the main shopping thoroughfare. A detailed planning application has been made to construct an office block of some 32,000 square feet, together with integral car parking facilities.

PREMISES AND PLANT

The Group's head office is at Sunley House, Regent Centre, Gosforth, Newcastle upon Tyne, where leasehold premises totalling approximately 2,100 square feet are occupied. Certain general plant, of which the major items are mechanical diggers, is owned by the Group and other equipment is hired as and when required.

MANAGEMENT AND STAFF

I am 32 and Chairman and Managing Director. After graduating in Economics I started the business of Lemmington in 1971. I have overall responsibility for managing the Group and for financial control and strategy. I have a four year service agreement with the Company (Contract No. (5) below).

The other Directors are Mr. W. M. Aitchison, Mr. H. R. M. Dixon and Mr. A. E. Swaisland. Although they have only now been appointed Directors, each has been associated with the business of the Group for a number of years and has made a considerable contribution to its expansion. Mr. Aitchison and Mr. Swaisland have both been connected with the Group's development activities since 1976 and were minority shareholders in the Group's two principal commercial development subsidiaries, Ridsdale Developments Limited and Lemmington Developments Limited, respectively. Mr. Dixon has been responsible for designing all our residential developments and the majority of our commercial schemes.

Mr. Aitchison is 46 and is a member of the Royal Institution of Chartered Surveyors. He has held senior appointments in Local Government, in the course of which he was involved with a large number of commercial and industrial developments, including the highly successful Eldon Square shopping centre in Newcastle upon Tyne. In 1977 he resigned as Deputy City Estate and Property Surveyor for Newcastle City Council to establish his own practice in the Newcastle area. He has today been appointed one of the two Group Commercial Directors, having overall responsibility for the acquisition, leasing and management of industrial and residential developments. His three and a half year service agreement with the Company (Contract No. (6) below) will permit him to devote a limited amount of time during 1982 to complete his withdrawal from private practice.

Mr. Dixon is 57 and has been an associate of the Royal Institute of British Architects from 1954 and a Fellow since 1969. He was a principal in private practice for 18 years until on 1st January, 1980 he joined the Group, with which he had been involved since its earliest days. As Technical Director he is responsible for the overall design and construction of all developments from their initial conception to completion, although outside architects are also employed. He has a three year service agreement with the Company (Contract No. (7) below).

Mr. Swaisland is 37 and has been a member of the Royal Institution of Chartered Surveyors since 1969. He joined a firm of chartered surveyors in the North East in that year and in 1971 formed his own practice. He has today been appointed a Group Commercial Director and has responsibility for development policy and the acquisition, leasing and management of commercial developments and investments. His three year service agreement with the Company (Contract No. (8) below) will initially permit him to devote such limited time as may be necessary to reorganise and become a consultant to his existing practice. It is envisaged that at a future date he will become a full-time Director of the Company.

Mr. G. Hall and Mr. J. R. Anderson have been employed by Lemmington for 8 and 4 years respectively. They are Directors of that company and are responsible for cost control and contract management.

Mr. M. P. Windle, A.C.A., joined the Group on 1st December, 1981 as Group Accountant. He is 7 and was formerly employed by Deloitte Haskins & Sells in Newcastle upon Tyne, in which capacity he dealt with the affairs of the Group.

The Group has approximately 130 employees, of whom some 15 are administrative staff and the remainder are employed on our various sites. We have always placed particular emphasis on establishing good relations with our employees and consider our turnover of staff to be low for the industry. We are particularly fortunate in having six experienced site managers. Specialist sub-contractors are used as and when necessary.

The Group operates its own pension scheme for senior employees.

WORKING CAPITAL

The Directors are of the opinion that, taking into account available bank facilities, the Group has sufficient working capital for its foreseeable requirements, having regard to the anticipated time scale of the above proposed developments.

FINANCIAL RECORD, PROFIT FORECAST AND DIVIDENDS

The turnover and profits for the last five and a half years ended 30th June, 1981 are set out in the Accountants' Report below. Profits before taxation in earlier years reflect the retention of commercial developments as investment properties while in 1977 profits were increased by the completion of a large housing contract for a local authority.

On the basis of the assumptions set out below and in the absence of unforeseen circumstances the Directors, having regard to the profit earned in the six months ended 30th June, 1981 and to subsequent management information, forecast that the historical cost profit before taxation and extraordinary items for the current financial year ending 31st December, 1981 will be not less than £1,200,000.

It is expected that if an amount of £600,000 were added to the above forecast profit, representing the estimated unallocated Group overheads for the year, some 57 per cent. of the resultant total will be provided by residential developments, 33 per cent. by commercial developments, the balance being provided by rental income.

On the basis of the above profit forecast, the Directors intend to recommend in respect of 1981 the payment in May 1982 of a final dividend of 2.9p per share (4.14p including the related tax credit).

Had the Company been a public company for the whole of 1981 and had a similar level of profit been earned, the Directors would have expected to recommend dividends totalling 4.9p per share (7p including the related tax credit), payable as to 2.0p as an interim dividend in November and 2.9p as a final dividend in May. The following table sets out, by way of illustration only, how a profit before taxation of £1,200,000 would be appropriated assuming corporation tax charges of 52 per cent. and 38 per cent. (the latter being the effective rate expected to be applicable for the year ending 31st December, 1981). The figures assume total dividends of 4.9p per share, and do not take into account the dividend-waiver that I intend to make in respect of the financial year ending 31st December, 1981.

	Corporation Tax at 52%	at 38%
Profit before taxation	£'000	£'000
less: taxation	1,200	1,200
Profit after taxation	624	456
less: dividends	576	744
Retained profit	269	269
	<u>307</u>	<u>475</u>
Earnings per share	10.50p	13.56p
Price/Earnings ratio	7.8	6.0
Gross dividend yield		8.54%
Cover for dividends	2.1 times	2.8 times
Net asset value per share (based on the balance sheet as at 30th June, 1981 set out in paragraph 10 of the Accountants' Report)		

In accordance with the Statement of Standard Accounting Practice 16—Current Cost Accounts—the Group will be publishing supplementary Current Cost Financial Statements in respect of the year ending 31st December, 1981. Having regard to the historical cost profit forecast above and the assumptions upon which it is based, the Directors forecast that the current cost profit before taxation for the year ending 31st December, 1981 will be not less than £950,000.

CURRENT TRADING

The current business and financial climate has inevitably affected demand for commercial and industrial property. Our policy in relation to new developments is highly selective. These have to meet our financial criteria and are not normally undertaken until major pre-lettings have been agreed in principle.

The immediate outlook for the housebuilding industry is uncertain, but our policies have enabled us to maintain sales at satisfactory levels. This has been achieved without recourse to costly incentive schemes. In October we released 32 plots for sale on a new development and received 18 reservations within a fortnight, which is encouraging. Our policies of not carrying a large land bank and of financing our development programme mainly from retained profits result in borrowings that are comparatively modest.

THE FUTURE

It is too early to make any forecast of either the level of house sales or of Group profits for 1982. The year should see a substantial increase in our rental income both from reviews and new lettings and we have a full workload of residential developments through to the early part of 1983. In addition to the development projects outlined above we have plans under negotiation for a major re-development of a town centre in the North East.

Whilst the underlying trend of the Group's past profits record has been firmly upward, it has been uneven, due principally to the effect of decisions to sell or retain completed commercial or industrial developments. However, as the Group's increasing rental income assumes greater significance this unevenness should gradually diminish and we are confident that the underlying upward trend of profit will continue.

Yours faithfully,

P. I. Cussins,
Chairman and Managing Director.

VALUATION

There is set out below a copy of a valuation of the Group's properties by Bernard Thorpe and Partners, Surveyors and Valuers:—

The Directors,
Cussins Property Group plc,
Sunley House,
Regent Centre,
Gosforth,
Newcastle upon Tyne NE3 3QW

Blossoms Inn,
23 Lawrence Lane,
London EC2V 8DA

3rd December, 1981

Gentlemen,

In accordance with your instructions we have now completed an inspection of the properties set out in the attached schedule and owned by companies in the group of which Cussins Property Group plc is the holding company ("the Group") in order to report to you as to their current open market value. The investment properties are valued as at 16th November, 1981 and all other properties are valued as at 31st October, 1981.

The investment properties have been valued subject to and with the benefit of existing leases, taking into account the rent review provisions therein. In most cases, we have examined copies of the original documents; otherwise we have relied on the information which has been supplied to us by yourselves, the solicitors acting for companies in the Group or your other professional advisers. We have valued the land available for residential development with the appropriate planning consents and with vacant possession. There has been added, where appropriate, the sums that you state have been expended as at 31st October, 1981. The schedule includes the amounts that we are advised, by yourselves or your professional advisers, have still to be expended to complete all current developments, together with the Group's estimates of completion dates and the capital value of the relevant properties when completed for sale or lease.

In each case we have valued the properties on an open market value basis having regard to both the "Guidance Notes on the Valuation of Assets" issued by The Royal Institution of Chartered Surveyors in August 1976 and April 1981 and "Admission of Securities to Listing" issued by the Council of The Stock Exchange in April 1981. In arriving at our valuation we have not had regard to any present or possible future Capital Gains Tax or Development Land Tax liabilities, nor have we made any allowance for the expenses of realisation. We have excluded from our valuation all residential properties under contract for sale by companies in the Group as at 31st October, 1981.

We have been provided in each case with copies of planning consents. In addition we have made the appropriate enquiries of Local Authorities regarding planning proposals, compulsory purchase and road widening, the answers to which have been obtained either in writing or orally. We have assumed that the information with which we have been provided is correct.

In no case have we carried out structural surveys, nor have we been able to inspect those parts that are covered, unexposed or inaccessible. We are unable to report therefore that any of the properties are free from defect. We have not arranged for any investigation to be carried out to determine whether or not high-alumina cement or calcium chloride additive or any other deleterious material has been used in the construction of the properties and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of this report we have assumed that any such investigation would not disclose the presence of any such material in any adverse conditions.

In all cases where a company in the Group has or is in the process of acquiring a freehold or a feudal title we have had confirmation from the solicitors acting for companies in the Group that this is the case and that the titles do not contain any unduly onerous or unusual restrictions (save as referred to in respect of property 22 in the attached schedule), although we have not inspected the title deeds. Where long leasehold interests are held, we have been provided with copies of the leases.

We have valued all the properties to which reference is made in the attached schedule in accordance with the assumptions to which we refer above. In our opinion as at the respective dates referred to above the current open market value of the interests in the properties, subject to and with the benefit of the existing leases where they exist and otherwise with the benefit of vacant possession, is fairly represented in the sum of £6,069,450.

Our valuations, which are set out in detail below, are summarised as follows:—

1. **Part A—Properties held as investments**
These properties have been valued at £2,966,200. The present net annual income is £148,572. The current total estimated annual rental value is £248,218.
2. **Part B—Properties being developed**
The commercial developments have been valued at £497,000 to which should be added £1,069,000 remaining to be expended on construction. The ^{estimated} capital values when completed and let will be £2,100,000. This figure includes the sum of £850,000 for the Carluke development and Missives are exchanged for a sale of it at that price.
The residential developments have been valued at £2,302,000 with a sum of £4,611,000 remaining to be expended on construction. The total estimated value when completed for sale is £8,759,000.
3. **Parts C & D—Properties held for future development and properties occupied primarily by a Group company**
The total value of these properties is £304,250.
4. There are a total of 18 freehold properties and a number of freehold properties producing ground rents together having an aggregate value of £5,072,700 and 5 leasehold properties having a value of £996,750.
low aggregate

Neither the whole nor any part of this valuation certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval to the form and context in which it may appear.

The following is the schedule referred to in the valuation certificate above:—

P T A—Properties held as investments

(i) Commercial properties

Property	Description, age and tenure	Terms of existing tenancies	Current net annual rents receivable	Current estimated net annual rental value	Capital value in existing state
1. Front Street, Chester-le-Street, County Durham	Part two-storey retail development comprising a supermarket having a total area of approximately 7,160 sq. ft. and a store having a total area of approximately 10,942 sq. ft. Public car parking is provided at the rear. Property built in 1977. Freehold.	Supermarket let to Amos Hinton & Sons Limited for a term of 25 years from 1st March, 1978 at £22,750 per annum with five year upward only reviews on full repairing and insuring covenants. Store unit let to Boots the Chemist Limited for a term of 25 years from 1st February, 1978 at £31,000 per annum with five year upward only reviews on full repairing and insuring covenants.	£ 53,750	£ 75,800	£ 1,125,000
2. Caistron House, Acorn Road, Newcastle upon Tyne	Two-storey retail and office block comprising supermarket and two shops with offices above which are subject to a restricted user. Property built in 1976. Freehold.	<p>Supermarket and adjoining shop having a total area of about 7,460 sq. ft. let to Law's Stores Limited for a term of 25 years from 1st February, 1977 at £19,250 per annum.</p> <p>Shop having an area of approximately 1,030 sq. ft. let to Co-op Laundries Limited for a term of 25 years from 1st February, 1977 at £3,250 per annum.</p> <p>First floor offices having an area of 1,390 sq. ft. let to Anderson & Haggie for a term of 25 years from 1st February, 1977 at £2,500 per annum.</p> <p>First floor offices having an area of approximately 1,005 sq. ft. let to W. M. Aitchison for a term of 25 years from 1st February, 1977 at £1,750 per annum.</p> <p>All leases contain five year upward only reviews and full repairing and insuring covenants.</p>	26,750	46,750	640,000
3. Phase I, William Barracks, Barrack Road, Newcastle upon Tyne	Newly completed single storey compartmented industrial block having a total area of 30,000 sq. ft. that is capable of being divided into units from 2,500 sq. ft. upwards. Property built in 1980/81. Leasehold for a term of 125 years from 16th November, 1981 at a ground rent of £5,526 per annum subject to five year upward only rent reviews to 12 ½ per cent. of rack rental value.	Unit No. 2 let to Crown Paints Limited for a term of 25 years from 16th November, 1981 at £5,000 per annum with five year upward only reviews on full repairing and insuring covenants.	(528) 52,000	52,000	540,000

ART A—Properties held as investments (continued)

Property	Description, age and tenure	Terms of existing tenancies	Current net annual rents receivable £	Current estimated net annual rental value £	Capital value in existing state £
4. Brunel Street, Newcastle upon Tyne	Single storey industrial unit having an area of approximately 4,070 sq. ft. Property built in 1979/80. Leasehold for a term of 99 years from 8th May, 1979 at £900 per annum with five year upward only reviews to 20 per cent. of rack rental received.	Let to Cape Automotive Products Limited for a term of 25 years from 8th May, 1980 at £7,650 per annum with five year upward only reviews on full repairing and insuring covenants.	6,750	7,150	70,000
5. Regent Farm Road, Gosforth, Newcastle upon Tyne	Single storey premises originally built as a garage showroom, workshop and lock-up garages within an enclosed yard which have been converted into a retail D.I.Y. shop and store having a total area of approximately 10,100 sq. ft. Property built in 1959. Freehold.	Let to Timberland Limited for a term of 20 years from 21st November, 1979 at £20,000 per annum with five year upward only reviews on full repairing and insuring covenants.	20,000	22,500	200,000
6. Stanhope Street, Arthurs Hill, Newcastle upon Tyne	Single storey supermarket having a total area of approximately 10,350 sq. ft. together with parking facilities at the rear. Property was built in 1980. Leasehold for a term of 99 years from 1st April, 1981 at £8,100 per annum subject to upward only reviews related to present ground rent plus 17 per cent. of the occupational rent in excess of £46,285 per annum.	Let to Allied Suppliers (Properties) Limited for 35 years from 1st April, 1981 at £40,000 per annum with five year upward only reviews on full repairing and insuring covenants.	31,900	31,900	335,000
Residential properties Ground Rents	13 parcels (323 properties) developed by a group company reserving ground rents secured on modern estate houses and flats. All ground rents are receivable under 999 year leases, Freehold.	The individual amounts payable vary from £20 to £35 per annum. Of the total, 39 properties presently produce an income of £1,365 per annum which will rise to £2,730 per annum after 21 years and a further 23 properties produce £805 per annum which will rise to £1,610 per annum after 25 years. The remainder do not increase.	9,948	12,118	66,200
			149,098 (526)		
			<u>148,572</u>	<u>248,218</u>	<u>2,966,200</u>

PART B—Properties being developed

(i)	Commercial properties	Description, age and tenure	Tenancies arranged	Capital value in existing state	Estimated completion and occupation dates	Estimated cost of completing development	Estimated net annual rents when completed and let	Capital value when completed	Capital value when completed and let
	Property			£		£	£	£	£
8.	Rankin Gait Centre, New retail High Street and John Street, Carlisle, Lanarkshire	development under construction comprising a recently completed supermarket on ground floor and basement with a total area of approximately 14,390 sq. ft., together with four retail shops on ground and first floors containing a total area of 4,180 sq. ft. Tenure — missives exchanged for the purchase of a feudal title.	Missives are exchanged for the grant of a full repairing and insuring lease to Allied Suppliers (Properties) Limited for a term of 35 years from 26th October, 1981. Rent of £60,000 per annum becomes payable by Allied Suppliers four months after either the supermarket is opened for trading or 26th February, 1982, whichever is the earlier. The rent is subject to five year upward only reviews. The shops are now being marketed at a total rental of £25,000 per annum.	447,000	December 1981	178,000	85,000	850,000	850,000

N.B. A completed agreement exists with Scottish Metropolitan Property Company P.L.C. ("SMP") which will, subject to the prior acquisition by Lemmington Developments Limited of the feudal title and of all necessary planning consents, purchase that Company's interest on 2nd February, 1982 at a figure of £850,000 together with five years purchase of any additional income in excess of £85,000 per annum achieved at that time, less costs and subject to an agreement by Lemmington Developments Limited to pay SMP any shortfall in annual rental income below £25,000 from the presently unlet shop units. This liability extends for a maximum period of 25 years from the later of 2nd February, 1982 or the date of completion of the development (the "settlement date"), and includes an obligation, at the request of SMP, if the rental shortfall has not been made up by 12 months after the settlement date for Lemmington Developments Limited to take up a lease or leases of the unlet shop units for 25 years from the settlement date, such lease or leases to be subject to five yearly open market rent reviews.

9.	Phases II and III, Fenham Barracks, Barrack Road, Newcastle upon Tyne	An industrial/warehouse site comprising the major part of an overall area of 7 acres for which planning consent was granted on 7th September, 1979. The second phase will comprise 50,000 sq. ft. and a third phase, 15,000 sq. ft. of compartmented single storey industrial accommodation. An agreement for lease has been entered into providing for the grant of individual ground leases on completion of the building works or 11th November, 1983, whichever is the sooner, at ground rents of £9,210 and £2,764 per annum respectively subject to five year upward only rent reviews to 12 ½ per cent. of rack rental value, with a peppercorn payable in the meantime.	Nil	50,000	December 1982	891,000	112,450	1,030,000	1,250,000
				<u>497,000</u>		<u>1,069,000</u>	<u>197,450</u>	<u>1,880,000</u>	<u>2,100,000</u>

PART C—Properties held for future development

<i>Property</i>	<i>Description, age and tenure</i>	<i>Terms of existing tenancies</i>	<i>Estimated current net annual rents receivable £</i>	<i>Capital value in existing state £</i>
20. Front Street, Bedlington, Northumberland	Approximately 0.15 acre site adjoining Laws Stores Supermarket in the main shopping area. Planning consent granted on 9th January, 1980 for a 3-storey block of 11 flats. Freehold.	none	NIL	17,500
21. The Farnes, Broomhill, Northumberland	Infill plot for development for 9 units as part of approximately 1.45 acres for 23 units, of which 14 have been constructed and sold. Planning consent granted 5th October, 1976. Freehold.	none	NIL	5,000
22. Land at rear of The Turrets, Gosforth, Newcastle upon Tyne	Site of approximately 0.93 acres. Planning consent granted on 23rd October, 1981 for 10 residential units. There are restrictive covenants as to the number and quality of houses and the provision of access has yet to be formally documented. There is also a planning consent dated 23rd October, 1981 for a synagogue, caretaker's flat and car park on part of the site. Freehold.	none	NIL	20,000
23. Handyside Arcade, Percy Street, Newcastle upon Tyne	Part 3-storey and part 2-storey block built approximately 80 years ago to provide shops and offices on the Percy Street frontage together with a 'U' shaped arcade providing retail accommodation at ground and first floor levels. Planning consent for the provision of a pedestrian bridge link to the Eldon Square shopping centre granted on 13th February, 1981. Freehold.	94 units. 7 units vacant. 57 tenancies cover the remaining units. The majority of the tenancies have either expired contractually or so expire on or before 1982 or are held on periodic tenancies. A minority expire after 1982, the last in 1988. No new tenancies have been granted.	Approximately 260,000 23,000	260,000
			<u>Approximately 23,000</u>	<u>302,500</u>

PART D—Properties occupied primarily by a Group company

<i>Property</i>	<i>Description, age and tenure</i>	<i>Capital value for existing use £</i>
24. 7th Floor, Sunley House, Regent Centre, Gosforth, Newcastle upon Tyne	Entire 7th floor of a modern purpose built office block. Total area of approximately 3,422 sq. ft. Full repairing and insuring lease for 25 years at £12,244 per annum from 25th March, 1974. Five year upward only rent reviews. Approximately 1,276 sq. ft., sub-let to American Air Filter Company Inc. for 25 years less 11 days at £5,000 per annum from 25th March, 1974. Five year upward only rent reviews on full repairing and insuring covenants.	1,750

Yours faithfully,
Bernard Thorpe and Partners,
Surveyors and Valuers.

ACCOUNTANTS' REPORT

The following is a copy of a report by Deloitte Haskins & Sells, Chartered Accountants, the auditors of the Company and the reporting accountants:-

The Directors,
Cussins Property Group plc,

The Partners,
Capel-Cure Myers

3rd December, 1981

Gentlemen,

INTRODUCTION

1. Cussins Property Group plc ("the Company") was incorporated as a private company on 7th October, 1981. It was re-registered as a public company on 2nd December, 1981, and, as part of a reconstruction, acquired the issued share capital of Peter Cussins Limited ("Cussins") on a share exchange basis on 16th November, 1981. The Company and its subsidiaries are referred to as "the Group".

2. The percentage share capital of the subsidiaries owned by Cussins since incorporation or acquisition is as follows:

Lemington Estates Limited	100
Ridsdale Developments Limited	75
Lemington Developments Limited	
57 per cent up to 1st August, 1979; thereafter	75
Rosscharm Limited (subsidiary of Lemington Development Limited)	75
Vivian Linacre Estates (North East) Limited (subsidiary of Rosscharm Limited)	75
Alnham Services Limited	100

On 3rd December, 1981 the Company entered into conditional agreements to acquire the shares representing the outstanding minority interests (25 per cent in each case) in Ridsdale Developments Limited and Lemington Developments Limited not already owned by Cussins.

3. We have been auditors of Cussins and all its subsidiaries throughout the period covered by this report.

4. The Company has not prepared any financial statements other than to support its re-registration as a public company. No financial statements have been prepared for any other members of the Group in respect of any period subsequent to 30th June, 1981.

5. We have examined the financial information, set out in paragraphs 8 to 11 below, which is based on the audited financial statements of the companies in the Group adjusted to reflect:

- (a) the reconstruction of the Group as if the Company had been in existence at 30th June, 1981 and all the subsidiaries had been wholly owned throughout the period covered by this report;
- (b) the estimated expenses of obtaining a listing on The Stock Exchange for the issued share capital of the Company; and
- (c) the change in accounting policy in taking profit on the sale of houses which is explained in paragraph 8(c) below

and after making such further adjustments as we consider appropriate for the inclusion of this report in the prospectus of the Company to be dated 3rd December, 1981. The audited financial statements have been prepared on the basis of the accounting policies set out in paragraph 8 below and (except for the accounting treatment of investment properties prior to 31st December, 1980 which is explained in paragraph 8(d) below) in accordance throughout with standards approved by the accountancy bodies in the United Kingdom as applicable to any part of the accounting periods dealt with herein.

6. In our opinion the information set out in paragraphs 8 to 11 below gives, for the purposes of the prospectus, a true and fair view of the profits and source and application of funds of the Group for the five years and six months ended 30th June, 1981 and of the state of affairs of the Company and of the Group at 30th June, 1981.

7. We have examined the abridged current cost information for the Group for the year ended 31st December, 1980 and the six months ended 30th June, 1981. This has been prepared for the purposes of the prospectus in accordance with Statement of Standard Accounting Practice 16 ("SSAP 16").

In our opinion the abridged current cost information set out in paragraph 12 below has been properly prepared in accordance with the policies and methods described therein to give the information required by SSAP 16.

ACCOUNTING POLICIES

8. The significant accounting policies adopted in arriving at the financial information set out in this report are as follows:

(a) *Basic of Accounting*

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

(b) *Basis of Consolidation*

The consolidated profit and loss account and balance sheet include the financial statements of the Company and its seven subsidiaries. Any premium paid on the acquisition of a subsidiary company is written off directly to reserves in the year that it arises.

(c) *Turnover and Profits*

(i) Residential developments

Turnover represents individual house sales where legal completion has taken place. Prior to 31st December, 1980, turnover and attributable profit were included in the financial statements only when legal completion of all the houses on a development had taken place. The financial statements below have been adjusted to reflect this change in accounting policy.

(ii) Commercial and industrial developments

Turnover and profit on current contracts is taken at a stage near enough to completion for the profit to be reasonably certain after making provision for contingencies, while provision is made for all losses incurred to the accounting date together with any further losses that are foreseen in bringing contracts to completion.

(d) *Investment Properties*

Investment properties are not depreciated. From 1st January, 1981 investment properties are included in the balance sheet at their open market value with any change in value being taken to an investment revaluation reserve.

(e) *Land and Site Development*

Land and site development is valued at the lower of cost and net realisable value and is reduced by cash received on account. Cash in excess of work in progress is included in creditors.

(f) *Depreciation*

Depreciation is calculated to write off the cost of fixed assets, after deducting government grants, in equal annual instalments, over their expected useful lives, on the following bases:

Motor cars	25 per cent
Machinery and equipment	10 per cent

(g) *Deferred Taxation*

Deferred taxation is provided on the liability method at the current rate of corporation tax, except where there is a reasonable probability that no such liability will arise in the foreseeable future.

(h) *Regional Development Grants*

Regional development grants are deducted from the cost of additions to fixed assets.

(i) *Interest Payable*

Interest is written off in the accounting period in which it is incurred.

PROFIT AND LOSS ACCOUNTS

9. The profit and loss accounts of the Group for the five years and six months ended 30th June, 1981, after making appropriate adjustments to the audited financial statements, are set out below:

	Notes	1975 £'000	1977 £'000	1978 £'000	1979 £'000	1980 £'000	6 months ended 30th June 1981 £'000
Years ended 31st December							
Turnover—residential developments ..	(a)	510	2,703	1,808	2,101	3,678	1,673
—commercial and industrial developments ..		—	—	—	151	305	1,726
		<u>510</u>	<u>2,703</u>	<u>1,808</u>	<u>2,252</u>	<u>3,983</u>	<u>3,399</u>
Gross Profit—residential developments ..	(b)	204	737	535	507	706	488
—commercial and industrial developments		—	—	—	43	48	339
		<u>204</u>	<u>737</u>	<u>535</u>	<u>550</u>	<u>754</u>	<u>827</u>
Rent receivable—commercial and industrial properties		—	22	46	89	101	66
—ground rents ..		2	3	3	3	7	5
Interest receivable ..		<u>107</u>	<u>47</u>	<u>26</u>	<u>42</u>	<u>12</u>	<u>—</u>
Overheads ..	(c)	313	809	610	684	874	898
		<u>83</u>	<u>153</u>	<u>173</u>	<u>264</u>	<u>404</u>	<u>292</u>
Profit before taxation ..		230	656	437	420	470	606
Taxation ..	(d)	119	335	224	182	(11)	210
Deferred taxation written back ..	(e)	—	—	—	—	(861)	—
Net profit after taxation retained ..		<u>111</u>	<u>321</u>	<u>213</u>	<u>238</u>	<u>1,342</u>	<u>396</u>
Earnings per share ..	(g)	2.02p	5.85p	3.88p	4.34p	6.76p	7.22p

Notes:

(a) Turnover—residential developments represent:

	1976	1977	1978	1979	1980	6 months ended 30th June 1981
Number of house sales legally completed	62	283	127	106	147	62

(b) Gross profit is calculated before the allocation of certain overheads and after charging:

	£'000	£'000	£'000	£'000	£'000	£'000
Wear of plant ..	20	21	43	96	192	78

(c) Overheads which have not been allocated between residential developments and commercial and industrial development activities include:

Depreciation ..	10	15	20	28	35	21
Loss (Profit) on sale of fixed assets ..	—	—	(4)	(22)	1	—
Interest payable ..	<u>1</u>	<u>—</u>	<u>1</u>	<u>9</u>	<u>53</u>	<u>53</u>

(d) The charge for taxation consists of:
United Kingdom corporation tax at 52%:

Current ..	(72)	66	168	(162)	(11)	210
Deferred ..	<u>191</u>	<u>269</u>	<u>56</u>	<u>344</u>	<u>—</u>	<u>—</u>
	<u>119</u>	<u>335</u>	<u>224</u>	<u>182</u>	<u>(11)</u>	<u>210</u>

(e) Deferred taxation written back represents the provision for deferred taxation in respect of stock relief not required following the introduction of the 1981 Finance Bill which later became an Act.

(f) Movements on reserves of the Group were:

At 1st January ..	233	244	565	774	997	2,239
Retained profit ..	111	321	213	238	1,342	396
Reserves capitalised ..	(100)	—	—	—	—	(998)
Goodwill written off ..	—	—	(4)	(115)	—	—
At 31st December (30th June, 1981) ..	<u>244</u>	<u>565</u>	<u>774</u>	<u>897</u>	<u>2,239</u>	<u>1,637</u>

(g) Earnings per share have been calculated throughout on the profits of each period after taxation and on 5,487,805 Ordinary shares in issue following the reconstruction.

The 1980 earnings per share are stated net of deferred tax of 15.69p per share.

(h) No dividends have been declared or paid during the five years and six months ended 30th June, 1981.

10. The balance sheets of the Company and the Group at 30th June, 1981, after making appropriate adjustments to the audited financial statements, are set out below:—

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STATEMENTS OF SOURCE AND APPLICATION OF FUNDS

11. The source and application of funds of the Group for the five years and six months ended 30th June, 1981, after making appropriate adjustments to the audited financial statements, are set out below:—

	1976 £'000	1977 £'000	1978 £'000	1979 £'000	1980 £'000	6 months ended 30th June 1981 £'000
Source of Funds:						
Profit before taxation	230	656	437	420	470	608
Items not involving the movement of funds:						
Depreciation	10	15	20	28	35	21
Loss/(Profit) on sale of fixed assets ..	—	—	(4)	(22)	1	—
Total funds generated from operations	240	671	453	426	506	627
Proceeds of sale of fixed assets ..	1	12	11	50	12	9
Refund of tax	—	70	—	—	—	59
	<u>241</u>	<u>753</u>	<u>464</u>	<u>476</u>	<u>518</u>	<u>695</u>
Application of Funds:						
Purchase of goodwill on acquisition of subsidiaries	—	—	(4)	(115)	—	—
Purchase of fixed assets	(8)	(189)	(280)	(265)	(595)	(390)
Payment of tax	(96)	—	(50)	(26)	(9)	—
	<u>(104)</u>	<u>(189)</u>	<u>(334)</u>	<u>(406)</u>	<u>(604)</u>	<u>(390)</u>
	<u>137</u>	<u>564</u>	<u>130</u>	<u>70</u>	<u>(86)</u>	<u>305</u>
Represented by a net movement in working capital						
Land and site development	384	608	182	742	793	(209)
Debtors	32	101	9	404	(400)	129
Creditors	(389)	328	208	(431)	8	(370)
Short term loans	—	—	—	20	(11)	(6)
	<u>27</u>	<u>1,037</u>	<u>399</u>	<u>735</u>	<u>390</u>	<u>(456)</u>
Overdraft	15	39	(49)	(702)	(420)	816
Bank balances and cash	7	(5)	5	21	(16)	(10)
Short term loan	—	—	—	—	—	(45)
Short term deposits	88	(507)	(225)	16	(40)	—
	<u>110</u>	<u>(473)</u>	<u>(269)</u>	<u>(665)</u>	<u>(476)</u>	<u>761</u>
Net increase (decrease) in liquid funds ..	<u>137</u>	<u>564</u>	<u>130</u>	<u>70</u>	<u>(86)</u>	<u>305</u>
Net increase (decrease) in working capital	<u>137</u>	<u>564</u>	<u>130</u>	<u>70</u>	<u>(86)</u>	<u>305</u>

CURRENT COST FINANCIAL STATEMENTS

12. The abridged current cost financial statements of the Group for the year ended 31st December, 1980 and six months ended 30th June, 1981 are set out below:—

A. Current Cost Profit and Loss Account

	Note	1980 12 months £'000	1981 6 months £'000
Turnover		3,983	3,399
Historical cost trading profit before loan interest		470	608
Less: Current cost operating adjustments	(a)	99	93
Current cost operating profit		371	515
Gearing adjustment (credit)		—	(3)
Interest on loans		—	2
		—	(1)
Current cost profit before taxation		371	516
Taxation charge (credit)		(872)	210
Retained current cost profit for the period		<u>1,243</u>	<u>306</u>

	Notes	1980 12 months £'000	1981 6 months £'000
B Statement of retained profits and reserves			
Retained current cost profit for the period		1,243	306
Movement on current cost reserve		283	146
		<u>1,526</u>	<u>452</u>
Revaluation surplus in historical cost reserves		1,600	245
Reserves capitalised		—	(998)
		<u>3,126</u>	<u>(301)</u>
Movement on reserves		974	4,100
Reserves at beginning of period		<u>4,100</u>	<u>3,799</u>
Reserves at end of period			
C Balance sheet at 30th June, 1981			
Fixed assets	(b)		3,447
Net current assets			2,875
Stock			(1,132)
Monetary working capital (net)			<u>1,743</u>
Total working capital			(293)
Other current liabilities			<u>1,450</u>
			<u>4,897</u>
Financed by:			1,098
Share capital			506
Current cost reserve	(c)		3,293
Other reserves—retained profit			<u>4,897</u>

Explanatory Notes

- (i) The abridged current cost financial statements have been prepared in accordance with the principles set out in SSAP 16.
- (ii) Investment properties were revalued in this period for the historical cost financial statements at their current market value and no further adjustment is made for the current cost financial statements.
- (iii) Plant and machinery are valued at their current cost using government indices. The additional depreciation arising is charged as part of the current cost operating adjustment. The disposal adjustment represents the increase in current cost net book value of the assets at the date of disposal.
- (iv) Work in Progress.
The land content of work in progress has been valued at current market value by independent valuers at the year end. At 31st December, 1980 land was included at directors' valuation. Materials and labour are valued using government indices. The cost of sales adjustment represents the increased cost at the date of the sale. It is calculated by the average method.
- (v) The monetary working capital adjustment represents the advantage to the company of financing its operations mainly from creditors and bank overdraft. It is calculated by the averaging method using the indices used in (iv) above.
- (vi) The gearing adjustment represents the advantage to the shareholders of financing part of the operating assets by borrowing. As the obligation to repay the borrowing is fixed, it is unnecessary to provide for the effect of price changes on the assets so financed.

Notes

(a)	Current cost operating adjustments		308	151
	Cost of sales		(219)	(62)
	Monetary working capital		<u>89</u>	<u>89</u>
	Working capital		6	3
	Depreciation		4	1
	Fixed asset disposals		<u>10</u>	<u>4</u>
	Fixed assets		<u>99</u>	<u>93</u>
	Current cost operating adjustments			
		Investment Properties £'000	Plant and Machinery £'000	Total £'000
(b)	Fixed assets			
	Gross current replacement cost	3,220	341	3,561
	Depreciation	—	114	114
	Net current replacement cost	<u>3,220</u>	<u>227</u>	<u>3,447</u>

										1980 12 months £'000	1981 6 months £'000
(c)	Current cost reserve										
	Balance at 1st January, 1981	..	..	..	..	..	..	..	..	77	360
	Revaluation surpluses:—										
	Plant and machinery	..	..	..	..	..	..	..	..	2	2
	Stocks and work in progress	..	..	..	..	..	..	..	..	182	54
										184	56
	Cost of sales	..	..	..	..	..	..	..	..	308	151
	Plant and machinery	..	..	..	..	..	..	..	..	10	4
	Monetary working capital	..	..	..	..	..	..	..	..	(219)	(62)
	Gearing	..	..	..	..	..	..	..	..	—	(3)
										99	90
										283	146
	Balance at 30th June, 1981 (31st December, 1980)	..	..	..	..	..	..	..	..	360	506
	of which: realised	..	..	..	..	..	..	..	..	99	189
	unrealised	..	..	..	..	..	..	..	..	261	317
										360	506
(d)	Financing of net operating assets										
	Fixed assets	..	..	..	..	..	..	..	..	2,839	3,447
	Working capital	..	..	..	..	..	..	..	..	1,361	1,743
	Net operating assets	..	..	..	..	..	..	..	..	4,200	5,190
	Share capital and reserves	..	..	..	..	..	..	..	..	4,200	4,897
	Taxation	..	..	..	..	..	..	..	..	—	248
	Other current liabilities	..	..	..	..	..	..	..	..	—	45
	Net borrowing	..	..	..	..	..	..	..	..	—	293
										4,200	5,190

Yours faithfully,
Deloitte Haskins & Sells,
Chartered Accountants

RECONCILIATIONS

Reconciliation of land and site development at 30th June, 1981 in the Accountants' Report to residential properties being developed at 31st October, 1981 in the Valuation Report.

The following information, so far as it relates to transactions subsequent to 30th June, 1981, has been extracted from unaudited financial information.

	Land value £'000	Building value £'000	Total £'000
Land and site development (at cost) in the Accountants' Report at 30th June, 1981	1,198	1,451	2,649
Less: Costs relating to non-residential properties being developed	217	149	366
	981	1,302	2,283
Add: Costs incurred (1st July–31st October, 1981)	318	750	1,068
	1,299	2,052	3,351
Less: Costs attributable to properties for which contracts exchanged:			
Legally completed:			
contracts exchanged before 30th June, 1981	(55)	(332)	(387)
contracts exchanged after 30th June, 1981	(81)	(412)	(493)
Not legally completed:			
contracts exchanged before 30th June, 1981	(9)	(53)	(62)
contracts exchanged after 30th June, 1981	(32)	(230)	(262)
Cost of properties at 31st October, 1981 where contracts have not been exchanged	1,122	1,025	2,147
Add: Increase in land value	155	—	155
	1,277	1,025	2,302
Value per Valuation Report (Part B (iii))	1,277	1,025	2,302
Reconciliation of investment properties at 30th June, 1981 in the Accountants' Report to that at 31st October, 1981 in the Valuation Report			
Per Accountants' Report at 30th June, 1981			£'000
Add: Residential properties (ground rents)—not included in the financial statements	..	..	3,220
			56
			3,276
Per Valuation Report at 31st October, 1981			
Part A Properties held as investments	..	..	2,366
Part B (i) Properties being developed	..	..	50
Part C Properties held for development in the future—commercial property	..	..	260
			3,276

ASSUMPTIONS AND LETTERS RELATING TO THE PROFIT FORECAST

(a) ASSUMPTIONS

The forecast historical cost profit before taxation and extraordinary items for the current year ending 31st December, 1981 which is set out above, is based on the following principal assumptions:—

- (i) that contracts for sale of residential properties already exchanged and scheduled for completion prior to 1st January, 1982 will be duly completed before that date;
- (ii) there will be no significant changes in relevant United Kingdom legislation or Government regulations and there will be no Government statement which adversely affects the business of the Group; and
- (iii) there will be no material disruption of the Group's business or that of its suppliers or subcontractors due to industrial disputes, business failures or unusually adverse weather conditions.

(b) LETTERS

(i) FROM THE AUDITORS AND REPORTING ACCOUNTANTS

The following is a copy of a letter from Deloitte Haskins & Sells concerning the profit forecast:—

Hadrian House,
Higham Place,
Newcastle-upon-Tyne,
NE1 8BP
and
128, Queen Victoria Street,
P.O. Box 207,
London EC4P 4JX
3rd December, 1981

The Directors,
Cussins Property Group plc

Gentlemen,

We have reviewed the accounting policies and calculations for the historical cost profit forecast (for which the Directors are solely responsible) of Cussins Property Group plc and its subsidiaries ("the Group") for the year ending 31st December, 1981 included in the document dated 3rd December, 1981 issued in connection with a placing of 1,400,000 Ordinary Shares of 20p each in Cussins Property Group plc.

The forecast includes results shown by the audited interim financial statements for the six months ended 30th June, 1981 and subsequent unaudited management information. In our opinion, the forecast so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of assumptions made by the Directors set out in the document referred to above and is presented on a basis consistent with the accounting policies normally adopted by the Group.

We have also reviewed the current cost profit forecast (for which the Directors are solely responsible) for the year ending 31st December, 1981. In our opinion the current cost profit forecast has been properly prepared in accordance with the principles of Statement of Standard Accounting Practice 16.

Yours faithfully,
Deloitte Haskins & Sells
Chartered Accountants

(ii) FROM CAPEL-CURE MYERS

The following is a copy of a letter from Capel-Cure Myers concerning the profit forecast:—

Bath House,
Holborn Viaduct,
London EC1A 2EU
3rd December, 1981

The Directors,
Cussins Property Group plc

Gentlemen,

We refer to the profit forecast for the year ending 31st December, 1981 set out in the document dated 3rd December, 1981 to be issued in connection with a placing of 1,400,000 Ordinary Shares of 20p each in the Company.

We have discussed with you and with Deloitte Haskins & Sells the policies and assumptions on which the profit forecast was made. We have also considered the letter dated 3rd December, 1981 addressed to you from Deloitte Haskins & Sells regarding the accounting bases and calculations adopted in arriving at the profit forecast.

On the basis of the above we consider that the profit forecast, for which you are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
Capel-Cure Myers

STATUTORY AND GENERAL INFORMATION

Capital History

- (A) The Company was incorporated in England as a private company limited by shares on 7th October, 1981 under the name of Anfax Limited.
- (B) On 16th November, 1981 the Company:—
- allotted at par 20 Ordinary Shares of £1 each to the subscribers to the Memorandum of Association of the Company;
 - sub-divided each issued and unissued Ordinary Share of £1 into 5 Ordinary Shares of 20p each;
 - increased the authorised share capital to £1,350,000 by the creation of an additional 6,749,500 Ordinary Shares of 20p each;
 - issued credited as fully paid 1,399,900 of such Ordinary Shares as consideration for the acquisition with effect from 16th November, 1981 of the issued share capital of Peter Cussins Limited (Contract No. (2) below);
 - allotted credited as fully paid 1,250,000 of such Ordinary Shares to the holders of the existing Ordinary Shares by way of capitalisation of part of share premium account;
 - passed a resolution to apply for re-registration as a public limited company;
 - altered its Memorandum of Association:—
 - with respect to its objects;
 - to state that the Company was to be a public company; and
 - to conform with the requirements of the Companies Act 1980 with respect to the memorandum of a public company;
 - adopted new Articles of Association; and
 - passed a resolution to change its name to Cussins Property Group plc.
- (C) The Company was re-registered as a public limited company on 2nd December, 1981.
- (D) On 3rd December, 1981 the Company:—
- increased the authorised share capital to £1,400,000 by the creation of an additional 250,000 Ordinary Shares of 20p each;
 - allotted credited as fully paid 2,350,000 Ordinary Shares of 20p each to the holders of the existing Ordinary Shares by way of capitalisation of part of the share premium account;
 - conditionally on the Council of The Stock Exchange admitting the Ordinary Shares of the Company to the Official List, agreed to acquire the 25 per cent. of the issued share capitals of Lemmington Developments Limited and Ridsdale Developments Limited not already owned by the Company from Mr. A. E. Swaisland and Mr. W. M. Aitchison respectively in consideration of the issue to them credited as fully paid of 243,902 and 243,903 Ordinary Shares of 20p each of the Company respectively (Contracts Nos. (3) and (4) below).

2. Subsidiaries

Following the completion of Contracts Nos. (3) and (4), the Company will have the following subsidiaries (all wholly owned private companies and, except where otherwise indicated, incorporated in England):—

Name of company	Date of incorporation	Issued share capital	Business
Peter Cussins Limited (incorporated in Guernsey)	24th November, 1984	£20	investment holding company
Lemmington Estates Limited	8th May, 1972	£100,000	building contractors
Lemmington Developments Limited	29th June, 1977	£200	property development and investment
Ridsdale Developments Limited	5th October, 1977	£200	property development
Ainham Services Limited	10th October, 1977	£2	service company
Rosscharm Limited	2nd November, 1979	£2	investment company
Vivian Linacre Estates (North East) Limited (incorporated in Scotland)	20th November, 1978 16th April, 1979	£100	property development

3. Contract with Capel-Cure Myers

Under Contract No. (1) below Capel-Cure Myers has agreed, subject to the share capital of the Company, issued and to be issued as mentioned herein being admitted to the Official List by the Council of The Stock Exchange not later than 18th December, 1981, to purchase a total of 1,400,000 Ordinary Shares at a price of 82p per share with a view to placing the same with its clients and other members of the public at the same price. The contract provides, *inter alia*, that the Company will pay all the expenses of and incidental to the application for listing, including all the costs of preparing, printing and advertising of these particulars, all accountancy and legal expenses, and a fee to Capel-Cure Myers. Under the contract the

Directors have given certain indemnities relating to apportionment, estate duty and capital transfer tax. The vendors have agreed not to sell any further shares in the Company for a period of six months from the date on which the contract becomes unconditional.

The numbers of shares agreed to be sold by the Directors are respectively:—P.I. Cussins 1,388,026; W. M. Aitchison 500; A. E. Swaisland 500.

The remaining 10,974 shares are being sold jointly by Mr. and Mrs. P. I. Cussins.

4. Directors' and other interests

Immediately after the placing the interests of the Directors and their families, as required to be disclosed in the register maintained pursuant to the Companies Act, 1967, in the Ordinary Share capital of the Company will be as follows:—

	Beneficial	Non-beneficial
P. I. Cussins	2,729,046	871,950
J. M. Aitchison	243,403	—
H. R. M. Dixon	17,000	—
A. E. Swaisland	243,402	—

* to be acquired in the placing
Other than the holdings disclosed above, the Directors are not aware of any other shareholdings representing 5 per cent. or more of the issued Ordinary Share capital.

Following the placing 1,512,195 Ordinary Shares of 20p each of the Company will remain unissued and uncommitted but, except as mentioned herein, there is no present intention to issue any of the authorised and unissued share capital of the Company and without the prior approval of the members in general meeting: (a) no issue of shares will be made which will effectively alter the control of the Company; and (b) no material issue of shares (other than to holders of Ordinary Shares *pro rata* to their existing holdings) will be made within one year from the date of this document.

Notwithstanding that the Articles of Association of the Company ^{permit} enable the issue of shares other than to shareholders *pro rata* to their existing holdings, without the prior approval of the members in general meeting no issues for cash of equity capital, or securities convertible into equity capital, will be made by the Company or a major subsidiary so as materially to dilute the percentage interests of the shareholders on terms likely to detract from the value of their interest.

5. Articles of Association

The Articles of Association of the Company contain provisions (*inter alia*) to the following effect:—

(A) Votes of Members

At any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by proxy or by a representative has one vote, and in the case of a poll every member present in person or by proxy has one vote for every share of which he is the holder.

(B) Borrowing Powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities. The Board is to ensure that the aggregate amount for the time being outstanding in respect of the moneys borrowed or secured by the Group (exclusive of intra-Group borrowings) shall not at any time, without the previous sanction of the Company in general meeting, exceed an amount equal to one and a half times the aggregate from time to time of the amount paid up on the issued share capital of the Company and the amounts standing to the credit of the capital and revenue reserves of the Company and its subsidiaries.

(C) Directors

(i) A Director is not required to hold any qualification shares.

(ii) The remuneration of the Directors is to be determined by the Company in general meeting and (unless otherwise determined) divided amongst the Directors as the Board agrees and failing agreement equally. The Directors are also entitled to be repaid all travelling and hotel expenses incurred by them respectively in or about the performance of their duties as Directors. If by arrangement with the Board any Director performs any special duties outside his ordinary duties as a Director, the Board may pay him special remuneration (in addition to any fees or ordinary remuneration) which may be by a lump sum or by way of salary, commission, participation in profits or otherwise.

(iii) The Board may establish and maintain any contributory or non-contributory pension or superannuation funds for the benefit of, or give or procure the giving of donations, gratuities, pensions, allowances or emoluments to, any persons who are or were employees of any company in, or associated with, the Group or who are or were directors or officers of any such company and who hold or have held any salaried employment or office in such company, and the families and dependants of any such persons.

- (iv) A Director may be appointed by the Board to the office of Managing Director and/or any other office or place of profit under the Company (except that of Auditor) for such period, on such terms and at such remuneration as the Board may determine.
- (v) No Director or intending Director is disqualified by his office from contracting with the Company nor is any contract or arrangement entered into on behalf of the Company in which any Director is in any way interested liable to be avoided nor is any Director so contracting or being so interested liable to account to the Company for any profit realised thereby, but the nature of his interest must be declared by the Director at a meeting of the Board.
- (vi) Save as provided below, a Director may not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director will not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.
- (vii) A Director is (in the absence of some other material interest than is indicated below) entitled to vote (and will be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:—
 - (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - (d) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in 1 per cent. of more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company;
 - (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional on approval by the Board of Inland Revenue for taxation purposes.
- (viii) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under paragraph (vii) (d) above) is entitled to vote (and will be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (ix) The Company may by Ordinary Resolution suspend or relax the provisions summarised under paragraphs (v), (vi), (vii) and (viii) above to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

The Articles of Association of the Company do not contain any provision to exclude the operation of section 185 of the Companies Act, 1948 and accordingly special notice will be required of any resolution appointing or approving the appointment of a Director who has attained the age of 70.

6. Service Agreements

The following are particulars of the Service Agreements between the Company and the Directors of the Company, all dated 3rd December, 1981:—

Director	Expiry Date	Annual Remuneration £
P. I. Cussins	31st December, 1985	38,500
W. M. Aitchison	30th June, 1985	17,000
H. R. M. Dixon	31st December, 1984	31,000
A. E. Swaisland	31st December, 1984	15,000

In the case of Mr. Aitchison and Mr. Swaisland their annual remuneration shown above will rise to £38,500 per annum each when they become full-time Directors of the Company.

Save as mentioned above, there are no existing or proposed service agreements between any of the Directors and the Company or any of its subsidiaries.

7. Material Contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into within the period of two years immediately preceding the date hereof and are or may be material:—

- ✓ (1) dated 3rd December, 1981 between P. I. Cussins and others as vendors in respect of 1,388,026 and 11,974 shares respectively (i) the Directors of the Company (ii) the Company (iii) and Capel-Cure Myers (iv), being the Contract mentioned in paragraph 3 above;
- ✓ (2) dated 16th November, 1981 between P. I. Cussins (i) P. I. Cussins and others (ii) and the Company (iii) for the acquisition of the issued share capital of Peter Cussins Limited on a share exchange basis;
- ✓ (3) dated 3rd December, 1981 between W. M. Aitchison (i) and the Company (ii) being the conditional Agreement for the acquisition of 25 per cent. of the issued share capital of Ridsdale Developments Limited;
- ✓ (4) dated 3rd December, 1981 between A. E. Swaisland (i) and the Company (ii) being the conditional Agreement for the acquisition of 25 per cent. of the issued share capital of Lemmington Developments Limited;
- ✓ (5)-(8) dated 3rd December, 1981 between the Company (i) and P. I. Cussins, W. M. Aitchison, H. R. M. Dixon and A. E. Swaisland respectively (ii) being the above-mentioned Service Agreements.

8. Taxation

The Directors have been advised by the Auditors that following the completion of the placing the Company will remain a close company within the meaning of the Income and Corporation Taxes Act 1970. Clearances in respect of the Group pursuant to paragraph 18 of Schedule 16 to the Finance Act 1972 have been obtained for all completed accounting periods to 31st December, 1980.

9. General

- (A) (i) No share or loan capital of the Company or of any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.
- (ii) Save as disclosed in paragraphs 1 (B) and (D) above and apart from capitalisation issues each of 100 Ordinary Shares of £1 each made by Ridsdale Developments Limited and Lemmington Developments Limited on 3rd December, 1981, no share or loan capital of the Company or of any subsidiary has, within the two years immediately preceding the date hereof, been issued, agreed to be issued or is now proposed to be issued either for cash or otherwise.
- (iii) Within the said two years no commissions, discounts, brokerages or other special terms have been granted by the Company or any subsidiary in connection with the issue or sale of any part of their respective share or loan capital.
- (iv) Save as disclosed in paragraphs 1 (B)(iv) and 1(D)(iii) above, no Director of the Company has had within the said two years or now has any interest, direct or indirect, in any assets which within the said period have been or are proposed to be acquired or disposed of by or leased to the Company or any subsidiary.
- (v) No Director of the Company is materially interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Group as a whole.
- (B) The Group is not engaged in any material litigation or arbitration and the Directors are not aware of any litigation or claims of material importance pending or threatened against it.
- (C) The aggregate emoluments of those persons who were employed in the Group and are now Directors of the Company during the year ended 31st December, 1980 were £62,161. Under the arrangements now in force, the aggregate emoluments of the present Directors of the Company for the current year ending 31st December, 1981 are estimated to amount to £78,000.
- (D) The expenses of the issue and of the application for admission to the Official List are payable by the Company and are expected to amount to £160,000, exclusive of Value Added Tax.
 - (i) Mr. W. M. Aitchison and Mr. A. E. Swaisland, who are both Directors of the Company, are to become respectively Consultants to the firms of Aitchisons, Chartered Surveyors and Swaisland and Partners, Chartered Surveyors. In the past both these firms have been, and it is intended that they will continue to be, retained by the Group as both joint and sole agents for various developments undertaken by the Group, receiving normal professional fees in connection with their services.
 - (ii) Aitchisons leases offices at Caistron House, Newcastle upon Tyne, from a Group company. Short details of the lease are set out against property No. 2 in Part A of the Valuation of Bernard Thorpe and Partners.
 - (iii) Mr. A. E. Swaisland is a Director and the majority shareholder of Octamere Limited, a private property trading company which does not compete with the activities of the Group.
 - (iv) Save as aforesaid and apart from minority shareholdings in public limited companies no Director has any interest in any property investment, development or trading company.

AC Hugh Smith
MFI Morse
R Ansley
JRG Barbour Smith
A W Benson
MC Bonsor
JR Brookson
FC Carr
PM Dillon ACIS
DM De Groot C Eng
JC Draper
JH Flower FCA
MIA Goodbody
Vladinet Services Ltd (Ltd Partner)

Associate Members
HB Alvarez
RG Boyle
D Burchill
JW Chase
AR Ellis
R Field
RA Fox
DE Gibbs
DN Holmes
RW King
AL Klahr
MG Levy
SG Levy
GH Oliver

Chief Accountant RI Wilson FCA, ATII

GIL Metzger
IWJ Moxon
RL Nead
RH Pain FIA
R Redfern
RC Richardson
RAG Simmonds
DD Skinner
AA Thorman
DA Turley
PPM Wlenon

TR Pattison
RJE Picton
JM Pinsent
DJ Strang
PF Wallace

CAPEL-CURE MYERS

(Incorporating Bendon Langner & Co)

Bath House Holborn Viaduct
London EC1A 2EU
and The Stock Exchange

Telephone 01-236 5080

Telex 886653

* agent for and on behalf of not less than one half of the partners of Capel-Cure Myers and each of them

A copy of this letter, having attached thereto a copy of the Particulars referred to below and each of the documents referred to therein, has been delivered to the Registrar of Companies for registration.

For the purposes of Section 50 of the Companies Act 1948 the time of the opening of the Subscription Lists is 9.30 a.m. on 9th December, 1981.

PRIVATE AND CONFIDENTIAL

4th December, 1981

Dear Sir(s),

CUSSINS PROPERTY GROUP plc
Placing of 1,400,000 Ordinary Shares
of 20p each at 82p per share

We enclose a copy of the Particulars of the above Company which are intended to be published in the Press on 7th December, 1981 in connection with an application to the Council of The Stock Exchange for the whole of the issued share capital of the Company to be admitted to the Official List.

We have entered into an Agreement with the Company and certain of its shareholders to purchase or find purchasers for 1,400,000 Ordinary Shares of 20p each.

We therefore have pleasure in offering you Ordinary Shares of 20p each at a price of 82p per share, free of commission and stamp duty, payable in full on acceptance on 9th December, 1981.

The issued Ordinary Shares rank *pari passu* in all respects.

The placing and the offer contained in this letter are conditional upon;

- (i) the Ordinary Share capital of the Company being admitted to the Official List by the Council of The Stock Exchange (subject to the despatch of Renounceable Allotment Letters) not later than 18th December, 1981; and
- (ii) the due completion of the acquisition by the Company of the minority interests in two subsidiaries as referred to in the Particulars by 18th December, 1981.

If you wish to accept the Ordinary Shares now being offered to you, please reply to this letter by telephone* as soon as possible and in any event not later than 3 p.m. on Monday, 7th December, 1981 and complete and return to us not later than 10 a.m. on Tuesday, 8th December, 1981 the enclosed Letter of Acceptance, together with a cheque drawn on a City office of a London Clearing Bank for the full amount due on acceptance, namely £ . Cheques so drawn, which must be made payable to "Capel-Cure Myers" and crossed "Not Negotiable", will not be presented for payment until 9th December, 1981 the day on which it is expected that fully paid Renounceable Allotment Letters will be posted. It is expected that dealings will commence on Thursday, 10th December, 1981.

If any of the above conditions are not fulfilled any payment by you to us will be returned in full.

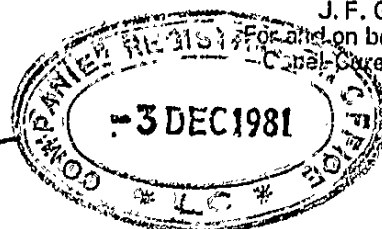
Yours faithfully,

*Please ask for:—

J. F. Gregory
R. A. G. Simmonds
R. U. Kauffmann

J. F. Gregory
For and on behalf of
Capel-Cure Myers

J. F. Gregory



as agent for and on behalf of not less than one half of the partners of Capel-Cure Myers and each of them

LETTER OF ACCEPTANCE

This letter must be completed and returned to CAPEL-CURE MYERS

To:— Capel-Cure Myers,
Bath House,
Holborn Viaduct,
London EC1A 2EU

Dear Sirs,

[Signatures]
CUSSINS PROPERTY GROUP plc
Placing of 1,400,000 Ordinary Shares
of 20p each at 82p per share

I/We have received your letter dated 4th December, 1981 relating to the above placing and on the terms mentioned therein and in the Particulars dated 3rd December, 1981.

I/We hereby accept Ordinary Shares offered to me/us.

I/We enclose my/our cheque for £....., being the amount payable in full on acceptance, made payable to "Capel-Cure Myers" and crossed "Not Negotiable".

I/We hereby request you to issue to me/us, in accordance with the instructions given below, a Renounceable Allotment Letter for the number of Ordinary Shares allotted to me/us. I/We authorise you to place my/our name(s) on the Register of Ordinary Shareholders as the holder(s) of any shares not duly renounced by me/us in accordance with the Letter of Acceptance.

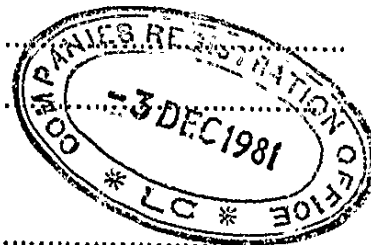
Dated this.....day of December, 1981

Signature.....

Full name(s) of acceptor(s) for registration purposes

Address of acceptor(s) for registration purposes

Delivery instructions.....



10. Consents and documents for registration and for inspection

- (A) Capel-Cure Myers, Deloitte Haskins & Sells and Bernard Thorpe and Partners have given and have not withdrawn their respective written consents to the issue of this document with the inclusion therein of copies of their letters, Reports or Valuation, as the case may be, and the references to them in the form and context in which they appear.
- (B) The two copies of this document delivered to the Registrar of Companies for registration had attached thereto copies of the placing letters and the attached ~~forms~~ ^{letters} of acceptance issued by Capel-Cure Myers for the purpose of the placing, the consents referred to in paragraph 10 (A) above, copies of the contracts referred to in paragraph 7 above and the statement of adjustments made by Deloitte Haskins & Sells in arriving at the figures in their report and giving their reasons therefor.
- (C) The following documents or copies thereof will be available for inspection at the offices of Capel-Cure Myers, Bath House, Holborn Viaduct, London EC1A 2EU during normal business hours on any weekday (Saturdays and Public Holidays excepted) until 21st December, 1981:
- (i) the Memorandum and Articles of Association of the Company;
 - (ii) the audited financial statements of Peter Cussins Limited and the audited consolidated financial statements of Lemmington Estates Limited and its subsidiaries for the two financial years ended 31st December, 1980 and for the half year to 30th June, 1981;
 - (iii) the letters relating to the profit forecast contained in this document;
 - (iv) the written consents referred to in paragraph 10(A) above;
 - (v) the report of Deloitte Haskins & Sells and their statement of adjustments;
 - (vi) the valuation of Bernard Thorpe and Partners; and
 - (vii) the contracts referred to in paragraph 7 above.

Dated 3rd December, 1981.