

# **CEDARVALE**

**Company Registration No: 2220037**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999**



## **CEDARVALE**

### **DIRECTORS' REPORT**

The Directors present their Report and the Financial Statements of the Company, together with the Auditors' Report, for the year ended 31 December 1999.

#### **Principal activity and business review**

The Company's principal activity continues to be property development, which is carried out through a share in the Ashford Great Park Partnership. The Directors expect the general level of activity to continue.

#### **Results and dividends**

The Company's results are set out in the Profit and Loss Account on page 4 including charitable donations of £102,316 (1998: £176,311).

The Company does not recommend the payment of a dividend for the year (1998: £36,800). The profit of £3,389,546 (1998 restated: £3,255,830) has been transferred to reserves.

#### **Directors**

The Directors of the Company, who held office throughout the year, were:

A C Brown  
Mrs M Adams  
Miss R B K Carty (appointed 19 February 1999)  
R Taylerson (resigned 19 February 1999)

No Directors held any beneficial interests in the share capital of the Company, nor of any other companies for which the Church Commissioners are the ultimate holding body, at 31 December 1999 or at any time during the year.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

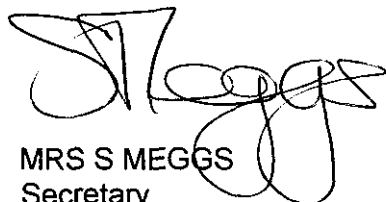
**STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Year 2000 Compliance**

The date change at year 2000 had no significant impact on computer systems or the computer programs provided by the ultimate holding body. Similarly the property agents engaged by the company have not reported any failure or problem with their systems. The directors are confident that the systems of the ultimate holding body and its property agents will continue to work normally over the next critical date. The year 2000 compliance programme has been achieved without the company incurring significant expenditure other than the investment in staff time that has been required to complete the extensive programme of checks.

**By Order of the Board**

A handwritten signature in black ink, appearing to read 'S Meggs', written over the printed name and title.

MRS S MEGGS  
Secretary

11 February 2000

## **CEDARVALE**

### **AUDITORS' REPORT TO THE SHAREHOLDERS OF CEDARVALE**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### **Respective responsibilities of Directors and Auditors**

As described on pages 1 and 2 the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent Auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

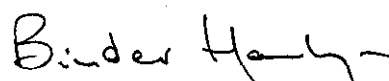
#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BINDER HAMLYN**

Chartered Accountants and Registered Auditors  
20 Old Bailey  
London EC4M 7BH

11 February 2000

# **CEDARVALE**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	Restated (note 5) 1998 £
TURNOVER: Share of partnership profit	5	3,505,256	3,535,316
Share of partnership provision		0	41,784
GROSS PROFIT		3,505,256	3,577,100
Administrative expenses		(10,884)	(18,004)
Charitable donations		(102,316)	(176,311)
OPERATING PROFIT		3,392,056	3,382,785
Interest payable to group undertaking		(2,510)	(82,694)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	3,389,546	3,300,091
Tax on profit on ordinary activities	4	0	(7,461)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,389,546	3,292,630
Dividend paid		0	(36,800)
RETAINED PROFIT TRANSFERRED TO RESERVES	12	3,389,546	3,255,830

The turnover and expenses all relate to continuing operations, none of which were acquired in the year.

There is no difference between the profit on ordinary activities before and after taxation for the years stated above and their historical cost equivalents.

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1999**

There are no recognised gains or losses in either year other than the profit for each year.

# CEDARVALE

## BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	Restated (note 5) 1998 £
FIXED ASSETS			
Investment in partnership	5	0	0
Investment in subsidiary	6	100	100
TOTAL FIXED ASSETS		100	100
CURRENT ASSETS			
Debtors	7	30,949,845	31,205,508
CREDITORS: Amounts falling due within one year	8	(40,733)	(69,182)
NET CURRENT ASSETS		30,909,112	31,136,326
TOTAL ASSETS LESS CURRENT LIABILITIES		30,909,212	31,136,426
CREDITORS: Amounts falling due after one year			
Provision for liabilities and charges	5	(22,974,403)	(26,551,163)
Convertible debt	9	0	(40,000)
NET ASSETS		7,934,809	4,545,263
CAPITAL AND RESERVES			
Fully paid called up share capital	10	100	100
Profit and loss account	11	7,934,709	4,545,163
EQUITY SHAREHOLDERS' FUNDS	12	7,934,809	4,545,263

On behalf of the Board who approved the financial statements on 11 February 2000.

*M Adams*

**Mrs M Adams**  
**Director**

The notes on pages 6 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 1999**

**1. Accounting policies**

**Accounting conventions**

The financial statements have been prepared on the historical cost basis of accounting modified by the revaluation of investments and in accordance with applicable accounting standards which have been consistently applied throughout the year and preceding year.

**Investment in partnership**

The investment in the Ashford Great Park Partnership is such that the Company enjoys joint ownership of the partnership's assets and has joint and several liability in respect of all liabilities incurred by the partnership. The partners have agreed to share the profits and losses of the partnership in accordance with the terms of the partnership agreement. The investment in the partnership is disclosed at the lower of cost or net realisable value less any provision for impairment.

Borrowing from the Company's ultimate holding body made by way of capital advances was used to finance the acquisition and development of the Company's interest in the partnership's property. Interest on this borrowing was capitalised in the Company's financial statements.

The Company recognises its share of the partnership's profits or losses on the basis of the profit-sharing and distribution arrangements agreed between the partners.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**Cash flow statement**

The Company's ultimate holding body is the Church Commissioners for England which publishes consolidated financial statements that include a consolidated cash flow statement. The cash flows of the Company are included in the consolidated group cash flow statement. Consequently the Company is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.

**Non-consolidation**

The financial statements contain information about Cedarvale as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare and deliver consolidated financial statements as it and its partnership and subsidiary interests are included by full consolidation in the consolidated financial statements of the Church Commissioners for England, a body incorporated in Great Britain.

**2. Employees**

The average monthly number of employees during the year was nil (1998: nil).

# CEDARVALE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1999	1998
	£	£
Directors' emoluments	0	0
Auditors' remuneration in respect of:		
Audit	2,000	2,100

### 4. Tax on profit on ordinary activities

	1999	1998
	£	£
Corporation tax (prior year)	0	(1,739)
Irrecoverable ACT	0	9,200
	0	7,461

The Company has tax losses at 31 December 1999 of approximately £77.8 million available to be carried forward to future years.

### 5. Investment in partnership

This comprises a 90% share in the Ashford Great Park Partnership (of 1 Millbank, London SW1P 3JZ). The Partnership's total turnover for the year ended 31 December 1999 was £209,290 (1998: £221,574).

The movement during the year is as follows:

	£
<u>Cost</u>	
At 1 January 1999 as previously reported	(29,829,042)
Prior year adjustment (see note below)	3,277,879
At 1 January 1999 as restated	(26,551,163)
Share of retained profits	3,505,256
Cash introduced	71,504
At 31 December 1999	(22,974,403)
<u>Provision</u>	
At 1 January 1999 as previously reported	29,829,042
Prior year adjustment (see note below)	(3,277,879)
At 1 January 1999 as restated	26,551,163
Decrease in provision	(3,576,760)
At 31 December 1999	22,974,403
<u>Net book value</u>	
At 31 December 1999	0
At 31 December 1998	0



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 1999 (continued)**

**5. Investment in partnership (cont)**

The prior year adjustment represents

- (i) the Company's share (£1,243,333) of a prior year adjustment in the financial statements of the Ashford Great Park Partnership which arose from changes in the bases of accounting and property valuation in relation to an estimate of future commitments which could become payable on the grant of planning permission; and
- (ii) the adjustment (£2,034,546) to the share of partnership provision taken over from CC Projects in 1998 (when the Company's share of the Ashford Great Park Partnership's profits increased from 33 $\frac{1}{3}$ % to 90%) as a result of the prior year adjustment (i) above.

The financial statements of the partnership are dealt with on a consolidated basis in the group accounts prepared by the Church Commissioners for England. Consequently, the Company has taken advantage of the exemption conferred by Regulation 7 of the Partnerships and Unlimited Companies (Accounts) Regulations 1993 from the requirements of those regulations.

Liabilities connected with the Company's investment in the Ashford Great Park Partnership are disclosed as provision for liabilities and charges.

**6. Investment in subsidiary**

The investment comprises the cost of the Company's interest in its wholly owned subsidiary, Cricklewood Estates (Investments) Limited. As the subsidiary is an exempt charity, Cedarvale is not entitled to any distributions from it, either by way of dividend or on winding up.

**7. Debtors**

	1999	1998
	£	£
Amounts owed by the ultimate holding body	30,833,577	31,089,537
Income tax recoverable	2,231	2,231
VAT recoverable	443	146
Other debtors	113,594	113,594
	<u>30,949,845</u>	<u>31,205,508</u>

**8. Creditors: Amounts falling due within one year**

	1999	1998
	£	£
Trade creditors	0	823
Corporation tax payable	0	0
Income tax payable	23,533	40,552
ACT payable	0	9,200
Accruals and deferred income	17,200	18,607
	<u>40,733</u>	<u>69,182</u>

# CEDARVALE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

### 9. Convertible debt

The Unsecured Convertible Loan Notes were issued to the Church Commissioners to finance medium term working capital requirements and were convertible at any time at par value into ordinary shares at nominal value at the lender's option before 31 December 2002. These Notes constituted one class of debenture and could be redeemed at par by the company at any time. Interest was payable at 1% over LIBOR. The Notes issued to the Church Commissioners were cancelled with effect from 21 December 1999 and were replaced on the same date by an Unsecured and Unlimited Interest-Free Loan repayable on demand. This loan has been offset against the amounts owed to the Company by the ultimate holding body disclosed in note 7.

### 10. Share capital

	1999 £	1998 £
Authorised ordinary shares of £1 each	61,000	61,000
Issued, called up and fully paid:		
Ordinary shares of £1 each	100	100

### 11. Profit and loss account

	1999 £	Restated (note 5) 1998 £
At 1 January as previously reported	4,545,163	(83,549,360)
Prior year adjustment (see note 5(i))	0	1,243,333
At 1 January 1999 as restated	4,545,163	(82,306,027)
Write back on share capital reduction	0	83,595,360
Retained profit for the year	3,389,546	3,255,830
At 31 December	7,934,709	4,545,163

The profit for the year ended 31 December 1998 has been increased by £2,034,546 to take into account the prior year adjustment detailed in note 5(ii).

## CEDARVALE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (continued)

#### 12. Reconciliation of movements in shareholders' funds

	1999	Restated (note 5) 1998
	£	£
Profit for the financial year	3,389,546	3,292,630
Dividend	0	(36,800)
Net increase in shareholders' funds	3,389,546	3,255,830
Opening shareholders' funds	4,545,263	6,494,073
Nil paid shares cancelled	0	(5,204,640)
Closing shareholders' funds	7,934,809	4,545,263

#### 13. Related parties

The Company has taken advantage of the exemption granted in Financial Reporting Standard No 8 not to disclose transactions with fellow group undertakings.

#### 14. Ultimate holding body

The Directors regard Cricklewood Trading Estates Limited as the immediate holding company. Cricklewood Trading Estates Limited is wholly owned by the Church Commissioners for England, a statutory body established by the Church Commissioners Measure 1947 (as amended). Copies of the Church Commissioners' consolidated financial statements may be obtained from The Communications Department, Church Commissioners, 1 Millbank, London SW1P 3JZ.