

Cussins Commercial Developments Limited  
Annual report  
for the year ended 31 December 1994

Registered no: 1319421

Coopers  
& Lybrand



# **Cussins Commercial Developments Limited**

## **Annual report for the year ended 31 December 1994**

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## **Directors' report for the year ended 31 December 1994**

The directors present their report and the audited financial statements for the year ended 31 December 1994.

### **Principal activities and business review**

The company's principal activity is land and property trading and development.

The parent company has indicated its willingness to continue to support the company (see note 2) and, as such, in the opinion of the directors the state of the company's affairs and its future prospects are satisfactory.

### **Results and dividends**

The profit for the financial year was £1,021,028 (1993: £228,509).

The directors do not recommend payment of a dividend (1993: £Nil) and the profit for the year will be transferred to reserves.

### **Changes in fixed assets**

Changes in fixed assets are set out in note 9 to the financial statements.

### **Directors**

The directors of the company at 31 December 1994, all of whom have been directors for the whole of the year ended on that date, are listed below:

P I Cussins  
W I Waites

### **Directors' interests**

None of the directors held any shares in the issued share capital of the company at 31 December 1994.

P I Cussins and W I Waites are directors of the parent company. Their interest in the shares of the parent company are disclosed in that company's financial statements.

### **Statement of directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.


The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

**By order of the board**

  
Secretary  
31 March 1995

**Report of the auditors to the members of  
Cussins Commercial Developments Limited**

We have audited the financial statements on pages 4 to 11.

**Respective responsibilities of directors and auditors**

As described on pages 1 and 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

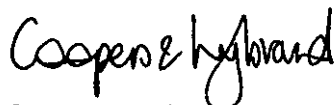
**Basis of opinion**

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

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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
31 March 1995

**Profit and loss account  
for the year ended 31 December 1994**

	Notes	1994 £	1993 £
<b>Turnover</b>	1	<b>5,195,746</b>	3,685,303
Cost of sales		(3,881,746)	(2,743,096)
<b>Gross profit</b>		<b>1,314,000</b>	942,207
Administration expenses		(216,535)	(258,623)
<b>Operating profit</b>		<b>1,097,465</b>	683,584
Interest receivable and similar income	5	-	400,000
Interest payable and similar charges	6	(76,437)	(855,075)
<b>Profit on ordinary activities before taxation</b>	7	<b>1,021,028</b>	228,509
Taxation charge	8	-	-
<b>Profit for the financial year</b>	14	<b>1,021,028</b>	228,509

All of the company's activities are continuing.

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

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

## Balance sheet at 31 December 1994

	Notes	1994 £	1993 £
<b>Fixed assets</b>			
Tangible assets	9	-	-
<b>Current assets</b>			
Stocks	10	884,794	1,127,441
Debtors	11	4,939,748	6,675,732
		<u>5,824,542</u>	<u>7,803,173</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(8,340,846)</u>	<u>(11,340,505)</u>
<b>Net current liabilities</b>		<u>(2,516,304)</u>	<u>(3,537,332)</u>
<b>Net liabilities</b>		<u>(2,516,304)</u>	<u>(3,537,332)</u>
<b>Capital and reserves</b>			
Called-up share capital	13	200	200
Profit and loss account	14	<u>(2,516,504)</u>	<u>(3,537,532)</u>
<b>Equity shareholders' deficit</b>	15	<u>(2,516,304)</u>	<u>(3,537,332)</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 31 March 1995 and were signed on its behalf by:



Director

**Notes to the financial statements  
for the year ended 31 December 1994****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Cash flow**

The company is a wholly owned subsidiary of Cussins Property Group plc and the cash flows of the company are included in the consolidated cash flow statement of the parent company. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

**Turnover**

Turnover represents the value of work completed and invoiced during the year, to other group undertakings.

**Stock**

The land bank is stated at the lower of cost and net realisable value.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost of tangible fixed assets, less their estimated residual values, over their useful economic lives on a straight line basis using the following rates:

Machinery and equipment	10% to 25%
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**Operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Deferred taxation**

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



## 2 Basis of preparation

The financial statements have been prepared on a going concern basis on the grounds that the parent company has indicated its willingness to continue to support the company for the foreseeable future and to meet its financial obligations as they fall due.

## 3 Employee information

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

	1994 Number	1993 Number
Building and development	7 <u>      </u>	6 <u>      </u>
	1994 £	1993 £
Staff costs (for the above persons):		
Wages and salaries	145,052	127,164
Social security costs	13,441 <u>      </u>	10,876 <u>      </u>
	158,493 <u>      </u>	138,040 <u>      </u>

## 4 Directors emoluments

No emoluments were paid to any director by the company during the year (1993: £Nil).

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

## 5 Interest receivable and similar income

	1994 £	1993 £
Recharged to fellow subsidiary undertakings	- <u>      </u>	400,000 <u>      </u>

## 6 Interest payable and similar charges

	1994 £	1993 £
Recharged by the parent company	-	808,000
On bank overdraft repayable within five years, not by instalments	76,437	47,075
	<u>76,437</u>	<u>855,075</u>

## 7 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Hire of other assets - operating leases	30,500	30,500
	<u>30,500</u>	<u>30,500</u>

## 8 Taxation

The company's corporation tax charge for the year ended 31 December 1994 was £Nil (1993: £Nil). The tax charge for the year was eliminated by the utilisation of tax losses brought forward.

## 9 Tangible fixed assets

	Machinery and equipment £
<b>Cost</b>	
At 1 January 1994	26,530
Disposals	(17,563)
<b>At 31 December 1994</b>	<u>8,967</u>
<b>Depreciation</b>	
At 1 January 1994	26,530
Eliminated in respect of disposals	(17,563)
<b>At 31 December 1994</b>	<u>8,967</u>
<b>Net book value</b>	
At 31 December 1994	<u>-</u>
<b>Net book value</b>	
At 31 December 1993	<u>-</u>

## 10 Stocks

	1994 £	1993 £
Land bank	<u>884,794</u>	<u>1,127,441</u>

## 11 Debtors

	1994 £	1993 £
<b>Amounts falling due within one year</b>		
Amounts owed by the parent company and fellow subsidiary undertakings	4,924,956	6,617,721
Other debtors	1,608	45,097
Prepayments and accrued income	13,184	12,914
	<u>4,939,748</u>	<u>6,675,732</u>

## 12 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank overdraft	940,055	3,863,306
Trade creditors	41,413	13,366
Amounts owed to the parent company and fellow subsidiary undertakings	7,290,403	7,353,839
Other taxation and social security payable	4,127	3,552
Other creditors	22,269	34,242
Accruals and deferred income	42,579	72,200
	<u>8,340,846</u>	<u>11,340,505</u>

The bank overdraft is secured by fixed and floating charges over all of the assets of the company.

## 13 Called-up share capital

	1994 £	1993 £
<b>Authorised, allotted, called-up and fully paid</b>		
200 (1993: 200) ordinary shares of 100p each	<u>200</u>	<u>200</u>

**14 Profit and loss account**

	£
At 1 January 1994	(3,537,532)
Profit for the financial year	1,021,028
	<hr/>
At 31 December 1994	<u>(2,516,504)</u>

**15 Reconciliation of movement in equity shareholders' deficit**

	1994 £	1993 £
Profit for the financial year	1,021,028	228,509
Opening equity shareholders' deficit	(3,537,332)	(3,765,841)
	<hr/>	<hr/>
Closing equity shareholders' deficit	<u>(2,516,304)</u>	<u>(3,537,332)</u>

**16 Financial commitments**

At 31 December, the company had annual commitments under non-cancellable operating leases which expire:

	Land and buildings	
	1994	1993
	£	£
In more than 5 years	<u>30,500</u>	<u>30,500</u>

**17 Contingent liabilities**

The company has guaranteed the overdrafts of other group companies at two banks. The maximum liabilities under these guarantees were £3,805,031 (1993: £3,126,000) and £1,083,438 (1993: £682,000) at 31 December 1994.

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

## **18 Ultimate parent company**

The company's ultimate parent company is Cussins Property Group plc, a company registered in England and Wales. Copies of the parent company's consolidated financial statements may be obtained from Cussins Property Group plc, Great North Road, Gosforth, Newcastle upon Tyne, NE3 2DA.