

2034991

RUSHBOND LIMITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 1999

COPY FOR THE
REGISTRAR OF
COMPANIES



A21
COMPANIES HOUSE

AUUN2T8

0244
24/08/00

CONTENTS	PAGE
Company Information	3
Report of the Directors	4-5
Report of the Auditors	6
Profit and Loss Account	7
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Accounts	11-18
Detailed Trading and Profit and Loss Account	19 - 20

RUSHBOND LIMITED

COMPANY INFORMATION

DIRECTORS

J W Maud
M J Hartley
G Maud

SECRETARY

H J Cooper

REGISTERED OFFICE

Broderick Suite
Tower Court
Armley Road
LEEDS
LS12 2LY

REGISTERED NUMBER

2034991

AUDITORS

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21 St Paul's Street
LEEDS
LS1 2ER

BANKERS

Barclays Bank plc
Dunbar Bank plc
Bank of Wales plc

SOLICITORS

Walker Morris
LEEDS

Pinsent Curtis
LEEDS

RUSHBOND LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report with the audited financial statements for the company for the year ended 30 November 1999

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE ACTIVITY

The principal activity of the company throughout the year was that of property development and investment.

The directors are satisfied with the results for the financial year to 30 November 1999 and anticipate that the current level of business will continue for the foreseeable future.

RESULTS AND DIVIDENDS

The results of the company for the year ended 30 November 1999 are set out in the financial statements on pages 7 to 18.

The directors do not recommend the payment of any dividend.

FIXED ASSETS

Information on movements in properties, investments and other tangible assets is given in notes 8 and 9 and includes the effect of the director's revaluation of investment properties.

DIRECTORS AND THEIR INTERESTS

The directors who have held office for the whole of the year, unless otherwise stated, are listed below:

J W Maud

M J Hartley

G Maud - appointed 1 January 2000

T J Reeve - appointed 7 December 1998 - resigned 21 December 1998

The directors' beneficial interests in the shares of the company were as follows:

		30 November 1999	1 December 1998
J W Maud	Ordinary Shares of £1	100	100
J W Maud	Cumulative Preference Shares of £1	118,750	118,750

None of the other directors has any interest in the share capital of the company.

RUSHBOND LIMITED

REPORT OF THE DIRECTORS (Continued)

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:

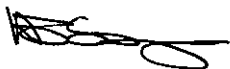
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

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.

AUDITORS

The auditors, Wilson Braithwaite Scholey, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



H J COOPER

Secretary

Registered Office:

Broderick Suite
Tower Court
Armley Road
LEEDS LS12 2LY

17 February 2000

RUSHBOND LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF RUSHBOND LIMITED

We have audited the financial statements on pages 7 to 18 which have been prepared under the historical cost convention (as modified by the revaluation of investment properties) and the accounting policies set out on pages 11 to 12.

Respective responsibilities of the directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

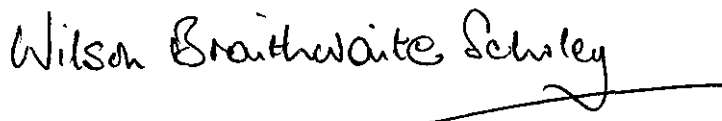
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 30 November 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Wilson Braithwaite Scholey
Registered Auditor
Chartered Accountants
21 - 27 St Paul's Street
Leeds LS1 2ER



17 February 2000

RUSHBOND LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 November 1999

	Notes	1999 £	1998 £
TURNOVER			
Continuing operations	2	2,385,950	3,554,866
Cost of sales		<u>1,196,512</u>	<u>2,677,660</u>
GROSS PROFIT		1,189,438	877,206
Administrative expenses		(549,652)	(497,999)
Other operating income	3	<u>524,902</u>	<u>341,902</u>
OPERATING PROFIT	4	1,164,688	721,109
Interest receivable and similar income		71,731	70,366
Interest payable and similar charges	5	<u>(186,163)</u>	<u>(290,102)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,050,256	501,373
Taxation on profit on ordinary activities	7	<u>(297,040)</u>	<u>(137,746)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	18	<u>753,216</u>	<u>363,627</u>

Movements in reserves are set out in note 18

The notes on pages 11 to 18 form part of these financial statements

RUSHBOND LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 November 1999

	1999 £	1998 £
Profit for the financial year	753,216	363,627
Unrealised surplus on revaluation of investment properties	<u>837,329</u>	<u>89,558</u>
Total gains and losses recognised since last annual report	<u>1,590,545</u>	<u>453,185</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Total recognised gains and losses	1,590,545	453,185
Shareholders' funds at 1 December 1998	4,141,552	3,688,367
Shareholders' funds at 30 November 1999	<u>5,732,097</u>	<u>4,141,552</u>
Equity interests	5,613,347	4,022,802
Non-equity interests	<u>118,750</u>	<u>118,750</u>
	<u>5,732,097</u>	<u>4,141,552</u>

RUSHBOND LIMITED

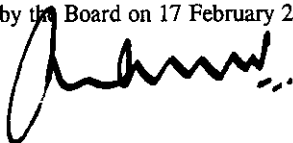
BALANCE SHEET

At 30 November 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible	8	4,275,113	3,336,484
Other investments	9	83,000	5,500
		<u>4,358,113</u>	<u>3,341,984</u>
CURRENT ASSETS			
Stocks and work in progress	10	3,894,693	2,417,198
Debtors - amounts falling due within one year	11	96,947	70,513
Investments	9	4,859	4,859
Cash at bank and in hand		786,658	1,019,309
		<u>4,783,157</u>	<u>3,511,879</u>
CREDITORS - amounts falling due within one year	13	<u>1,561,943</u>	<u>2,672,109</u>
NET CURRENT ASSETS		<u>3,221,214</u>	<u>839,770</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,579,327	4,181,754
CREDITORS - amounts falling due after more than one year	14	<u>1,847,230</u>	<u>40,202</u>
NET ASSETS		<u>5,732,097</u>	<u>4,141,552</u>
CAPITAL AND RESERVES			
Called up share capital	16	118,850	118,850
Revaluation reserve	18	3,100,544	2,263,215
Profit and loss account	18	2,512,703	1,759,487
Shareholders' funds (including non equity)		<u>5,732,097</u>	<u>4,141,552</u>

Approved by the Board on 17 February 2000 and signed on its behalf by

J W Maud
Director



RUSHBOND LIMITED
STATEMENT OF CASHFLOWS

Year ended 30 November 1999

	Notes	1999 £	1998 £
CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	4(b)	<u>(60,210)</u>	<u>2,653,201</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(179,782)	(277,143)
Interest received		71,731	70,366
Interest element of HP payments		<u>(6,381)</u>	<u>(12,959)</u>
NET CASH OUTFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(114,432)</u>	<u>(219,736)</u>
TAXATION			
UK Corporation tax paid		<u>(138,465)</u>	<u>(29,384)</u>
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(127,645)	(102,730)
Receipts from sales of tangible fixed assets		6,136	80,000
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE		<u>(121,509)</u>	<u>(22,730)</u>
NET CASH(OUTFLOW)/ INFLOW BEFORE FINANCING		(434,616)	2,381,351
ACQUISITIONS AND DISPOSAL			
Payments made to joint ventures		(77,500)	(5,510)
Receipts from sale of investments		-	9,000
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		<u>(512,116)</u>	<u>2,384,841</u>
FINANCING			
Capital element of HP payments		(23,995)	(41,638)
Loan repayments		(445,996)	-
New loans		783,888	-
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		<u>313,897</u>	<u>(41,638)</u>
(DECREASE)/INCREASE IN CASH		<u>(198,219)</u>	<u>2,343,203</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£	£
(DECREASE)/INCREASE IN CASH IN THE YEAR	12	(198,219)	2,343,213
Cash inflow from increase in debt and lease financing		(313,897)	41,638
New finance leases		<u>(10,680)</u>	<u>(26,000)</u>
MOVEMENT IN NET DEBT IN THE YEAR		(522,796)	2,358,851
NET DEBT AT 1 DECEMBER 1998	12	(1,150,630)	(3,509,481)
NET DEBT AT 30 NOVEMBER 1999	12	<u><u>(1,673,426)</u></u>	<u><u>(1,150,630)</u></u>

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

1 ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

Group Accounts

The companies and its subsidiaries comprise a medium group. The company has therefore taken advantage of Section 248 of the Companies Act 1985 not to prepare group accounts.

Rental Income

In circumstances where the company has, in order to secure a tenant for one of its development properties, assumed obligations under an existing lease, the initial income is shown net of rents payable.

Interest and property holding costs

Interest and property holding costs are charged to the profit and loss account in the period in which they are incurred.

Tangible fixed assets

Investment properties are accounted for in accordance with SSAP 19 as follows:

- (a) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Where the total of the revaluation reserve is insufficient to cover a deficit, the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged in the profit and loss account; and
- (b) no depreciation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the properties are held for investment rather than use, and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Other fixed assets are depreciated over their useful lives at a rate of 25% per annum on a reducing balance basis.

Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

Stocks and work in progress

Stocks and work in progress consisting of properties under development are valued at the lower of cost and net realisable value. The company adopts the date of purchase contract as the date of acquisition of properties.

Costs in relation to tenant variations are included in work in progress net of any contributions from the tenant. Any differences between costs and tenants' contributions are transferred from work in progress to the profit and loss account in the period of the commencement of the lease.

Grants

Grants receivable are credited against the costs of the appropriate projects undertaken.

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

ACCOUNTING POLICIES (continued)

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Pension costs

Contributions payable to employee's private pension schemes are charged to the profit and loss account in the period to which they relate.

2 TURNOVER

Turnover represents amounts receivable from sales net of VAT contracted during the year of developed or refurbished properties and related income. Income is recognised by reference to the date of completion in respect of property sales. The whole of the turnover is to the UK market.

3 OTHER OPERATING INCOME

	1999 £	1998 £
Net rents receivable	<u>524,902</u>	<u>341,902</u>
4 OPERATING PROFIT		
a) Operating profit is stated after charging/(crediting):	£	£
Directors' emoluments	205,168	163,449
Directors pension contributions	56,260	55,850
Auditors remuneration	5,500	5,500
Profit on disposal of fixed assets	-	(10,608)
Depreciation - owned assets	6,504	4,735
Depreciation - assets held under finance leases and hire purchase contracts	<u>24,385</u>	<u>23,595</u>
Emoluments of Chairman and highest paid director:	£	£
Total emoluments, excluding pension scheme contributions	112,519	106,496
Company contribution to a money purchase pension scheme	<u>50,000</u>	<u>50,000</u>
	£	£
b) Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	1,164,688	721,109
Depreciation of tangible fixed assets	30,888	28,330
Profit on disposal of fixed assets	-	(10,608)
(Increase)/Decrease in stocks	(1,477,495)	2,139,345
Increase in debtors and prepayments	(34,464)	(27,921)
Increase/(Decrease) in creditors and accruals	256,173	(197,054)
Net cash inflow/(outflow) from operating activities	<u>(60,210)</u>	<u>2,653,201</u>

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

	1999 £	1998 £
5 INTEREST PAYABLE AND SIMILAR CHARGES		
Bank loan interest	172,501	262,630
Other loan interest (see note 17)	7,157	14,465
Other interest	124	78
Finance leases and hire purchase interest	6,381	12,959
	<u>186,163</u>	<u>290,132</u>

6 STAFF COSTS

The average number of employees of the Company during the year excluding directors was 7 (1998-6)

	1999 £	1998 £
Staff costs comprise:		
Salaries and wages	304,456	248,900
Social security costs	33,569	24,440
Contributions to private pension schemes	58,433	57,673
	<u>396,458</u>	<u>331,013</u>

The number of directors accruing retirement benefits under defined contributions pension schemes is 2 (1998 - 2).

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year is based on the profit for the year, calculated as follows:

Corporation tax charge at 30 % (1998 29.7%)	299,919	149,375
	<u>-</u>	<u>-</u>
	299,919	149,375
Adjustment in respect of prior years:		
Corporation tax (over) under provided in earlier years	(2,879)	(809)
Corporation tax recovered from prior year	-	(10,820)
	<u>297,040</u>	<u>137,746</u>

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

8 TANGIBLE FIXED ASSETS

	Freehold property £	Investment properties £	Fixtures & fittings £	Motor Vehicles £	Total £
Cost or valuation					
At 1 December 1998	29,746	3,202,710	34,631	129,894	3,396,981
Additions	-	112,717	8,947	16,661	138,325
Surplus on revaluation	-	837,329	-	-	837,329
Disposals	-	-	-	(13,104)	(13,104)
At 30 November 1999	29,746	4,152,756	43,578	133,451	4,359,531
Depreciation					
At 1 December 1998	-	-	17,617	42,880	60,497
Charge for the year	-	-	6,504	24,385	30,889
Eliminated on disposals	-	-	-	(6,968)	(6,968)
At 30 November 1999	-	-	24,121	60,297	84,418
Net book value					
At 30 November 1999	29,746	4,152,756	19,457	73,154	4,275,113
At 30 November 1998	29,746	3,202,710	17,014	87,014	3,336,484

In November 1999 the investment properties were revalued on an open market value basis by a suitably qualified director of the company who is a member of the Royal Institution of Chartered Surveyors.

The historical cost of investment properties included at valuation is £1,171,768 (1998 £1,059,502).

Included in the total net book value of tangible fixed assets held at 30 November 1999 was £60,079 (1998 - £87,014) in respect of assets held under finance leases and hire purchase contracts.

9 INVESTMENTS

Fixed assets

Investments in participating interests £
At 1 December 1998
5,500
Additions in the year
77,500
At 30 November 1999
83,000

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

9 INVESTMENTS (continued)

Included in the investments detailed above, the company holds in excess of one tenth of the nominal value of the stated class of shares in the following undertakings:

All subsidiaries or joint ventures are registered in England.

	Year end if other than 30 November	Proportion of Ordinary share capital held	Nature of Business
Kenninghall Investments Limited		100%	Dormant
Beaverwood Associates Limited		100%	Dormant
Brewery Wharf (Leeds) Limited	31 December	50%	Property development

CURRENT ASSETS

	1999 £	1998 £
Listed investments	<u>4,589</u>	<u>4,589</u>

10 STOCKS AND WORK IN PROGRESS

Developments in progress	<u>3,894,693</u>	<u>2,417,198</u>
--------------------------	------------------	------------------

11 DEBTORS - amounts falling due within one year

Trade debtors	8,727	4,549
Corporation tax recoverable	2,523	10,553
Other debtors	<u>85,697</u>	<u>55,411</u>
	<u>96,947</u>	<u>70,513</u>

12 ANALYSIS OF NET DEBT

Analysis of balances as shown in the balance sheet and changes during the year

	Opening	Cash Flow	Non cash changes	Closing
	£	£	£	£
Cash at bank and in hand	1,019,309	(232,651)	-	786,658
Bank overdraft	(47,361)	34,432	-	(12,929)
	<u>971,948</u>	<u>(198,219)</u>	-	<u>773,729</u>
Debt:				
Hire purchase or finance leases	(62,060)	23,995	(10,680)	(48,745)
Debt falling due within one year	(2,060,518)	(337,892)	1,837,122	(561,288)
debt falling due after one year	-	-	(1,837,122)	(1,837,122)
	<u>(2,122,578)</u>	<u>(313,897)</u>	<u>(10,680)</u>	<u>(2,447,155)</u>
Total	<u>(1,150,630)</u>	<u>(512,116)</u>	<u>(10,680)</u>	<u>(1,673,426)</u>

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

13 CREDITORS - amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts (see note 15)	574,217	2,107,879
Trade creditors	69,640	174,563
Amounts owed to group undertakings	72,057	72,057
Corporation tax	299,919	149,375
Social security and other taxes	10,725	10,043
Hire purchase and finance leases	38,637	21,858
Accruals and deferred income	390,348	86,334
Other creditors	106,400	50,000
	<u>1,561,943</u>	<u>2,672,109</u>

14 CREDITORS - amounts falling due after more than one year

	£	£
Bank loans (see note 15)	1,837,122	-
Obligations under hire purchase and finance leases	10,108	40,202
	<u>1,847,230</u>	<u>40,202</u>

All of the obligations under hire purchase and finance leases are due within five years

15 LOANS AND OVERDRAFTS

The analysis of the maturity of loans and overdrafts is given below

	1999	1998
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts (secured)	12,929	47,361
Bank loans (secured)	561,288	1,951,018
Other loans (see note 17)	-	109,500
	<u>574,217</u>	<u>2,107,879</u>
Amounts falling due between two and five years:		
Bank loans (secured)	1,530,618	-
Other loans (see note 17)	75,000	-
	<u>1,605,618</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans (see note 17)	<u>231,504</u>	<u>-</u>

The bank borrowings are generally secured by legal charges over the relevant properties being held or developed.
The loan due after more than five years is repayable on 30 April 2009 and carries interest at 2% over base rate.

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

	1999	1998
	£	£
16 SHARE CAPITAL		
Authorised		
At 1 December 1998 and 30 November 1999		
Ordinary shares of £1 each	100	100
10% Cumulative Preference Shares of £1 each	300,000	300,000
	<u>300,100</u>	<u>300,100</u>

Allotted, issued and fully paid

At 1 December 1998 and 30 November 1999

Ordinary shares of £1 each

10% Cumulative Preference Shares of £1 each

	100	100
	118,750	118,750
	<u>118,850</u>	<u>118,850</u>

The cumulative preference shares represent non-equity interests.. On a winding up, the preference shares carry priority over the ordinary shares to the extent of their par value plus any cumulative arrears of dividends. The preference shares do not carry the right to attend or vote at any general meeting of the company unless the dividend on such shares is more than two years in arrears.

17 RELATED PARTY TRANSACTIONS

Transactions and balances

Included in creditors at the year end was £72,057 - (1998 £72,057) due to Kenninghall Investments Limited, a 100% non-trading subsidiary company controlled by J W Maud.

The company was party to a profit sharing arrangement with Great Northern Developments Limited, a company owned by J W Maud, a director of Rushbond Limited. The profit earned in the year amounted to £99,398 of which £14,291 is included in other debtors at the year end.

Control

The company was controlled throughout the current and prior year by J W Maud, a director, by virtue of his 100% beneficial interest in the ordinary share capital of the company.

18 RESERVES

	Investment Property Revaluation Reserve	Profit and Loss account
	£	£
At 1 December 1998	2,263,215	1,759,487
Profit for the year	-	753,216
Surplus on revaluation	837,329	-
	<u>3,100,544</u>	<u>2,512,703</u>

At 30 November 1999

RUSHBOND LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 November 1999

19 PENSION COSTS

The company operates defined contribution pension scheme arrangements for the benefit of certain of its senior employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £58,433, (1998 - £57,673)