

# **CEDARVALE LIMITED**

Company Registration No: 2220037

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997**



## **CEDARVALE LIMITED**

### **DIRECTORS' REPORT**

The Directors present their Report and the Financial Statements of the Company for the year ended 31 December 1997.

#### **Principal activity and future developments**

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

#### **Results and dividends**

The Company's results are set out in the Profit and Loss Account on page 4.

The Directors do not recommend the payment of a dividend for the year (1996: £nil). The profit of £3,988,707 (1996: loss of £87,537,355) has been transferred to reserves.

#### **Directors**

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

A C Brown  
Mrs M Adams  
R Taylerson

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 1997 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:-

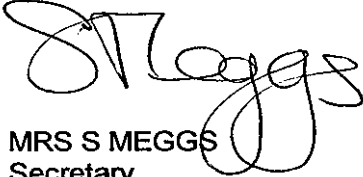
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

**CEDARVALE LIMITED**

**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.

**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

13 February 1998

## **CEDARVALE LIMITED**

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

We have audited the financial statements on pages 4 to 9 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 page 1 the Company's Directors are responsible for the preparation of the 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.

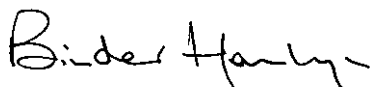
#### **Basis of opinion**

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 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 1997 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

13 February 1998

**CEDARVALE LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997 £	1996 £
TURNOVER: Share of partnership profit	5	4,090,730	418,978
Exceptional cost of sales	6	0	(87,942,916)
GROSS PROFIT/(LOSS)		4,090,730	(87,523,938)
Administrative expenses		(11,668)	(10,568)
OPERATING PROFIT/(LOSS)		4,079,062	(87,534,506)
Interest payable to group undertaking		(90,355)	(2,849)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	3,988,707	(87,537,355)
Tax on profit on ordinary activities	4	0	0
RETAINED PROFIT/(LOSS) TRANSFERRED TO/(FROM) RESERVES	12	3,988,707	(87,537,355)

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

There is no difference between the profit/(loss) 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 1997**

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

**CEDARVALE LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1997**

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Investment in partnership	5	0	0
Investment in subsidiary	7	100	100
<b>TOTAL FIXED ASSETS</b>		<u>100</u>	<u>100</u>
<b>CURRENT ASSETS</b>			
Debtors (including £40.5 million receivable after more than one year in respect of unpaid share capital)	8	40,615,825	40,615,825
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(1,074,738)</u>	<u>(1,007,458)</u>
<b>NET CURRENT ASSETS</b>		<u>39,541,087</u>	<u>39,608,367</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>39,541,187</u>	<u>39,608,467</u>
<b>CREDITORS: Amounts falling due after one year</b>			
Provision for liabilities and charges	5	(34,250,447)	(38,306,434)
Convertible debt	10	<u>(40,000)</u>	<u>(40,000)</u>
<b>NET ASSETS</b>		<u><u>5,250,740</u></u>	<u><u>1,262,033</u></u>
<b>CAPITAL AND RESERVES</b>			
Fully paid called up share capital	11	48,300,100	48,300,100
Nil paid called up share capital	11	40,500,000	40,500,000
Profit and loss account	12	<u>(83,549,360)</u>	<u>(87,538,067)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	13	<u><u>5,250,740</u></u>	<u><u>1,262,033</u></u>

On behalf of the Board who approved the financial statements on 13 February 1998.

*M Adams*

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

The notes on pages 6 to 9 form part of these financial statements.

## **CEDARVALE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997**

#### **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.

##### **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.

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 is a wholly owned subsidiary of 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 Limited 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 interest 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 (1996: nil).

## CEDARVALE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997 (continued)

#### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1997	1996
	£	£
Directors' emoluments	0	0
Auditors' remuneration in respect of:		
Audit	1,900	1,800

#### 4. Tax on profit on ordinary activities

The Company has tax losses at 31 December 1997 of approximately £84.1 million available to be carried forward to future years.

#### 5. Investment in partnership

This comprises an investment in the Ashford Great Park Partnership (of 1 Millbank, London SW1P 3JZ). The Partnership's total turnover for the year ended 31 December 1997 was £12.3 million (1996: £1.5 million).

The movement during the year is as follows:

	£
<u>Cost</u>	
Brought forward at 1 January 1997	(38,306,434)
Capital introduced	0
Share of retained profits	4,090,730
Cash distributed	(34,743)
Carried forward at 31 December 1997	(34,250,447)
<u>Provision</u>	
Brought forward at 1 January 1997	38,306,434
Decrease in provision	(4,055,987)
Carried forward at 31 December 1997	34,250,447
<u>Net book value</u>	
At 31 December 1997	0
At 31 December 1996	0

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.



## **CEDARVALE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997 (continued)**

#### **6. Release of Indemnity**

The Company had the benefit of an indemnity from the Commissioners for a number of years. Its effect was to indemnify the Company for any loss over book value of its investment in the Ashford Great Park Partnership.

During 1996 the Directors agreed to release the Commissioners from this indemnity. The investment in the Partnership is now disclosed at the lower of cost or net realisable value.

#### **7. 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 Ltd is not entitled to any distributions from it, either by way of dividend or on winding up.

#### **8. Debtors**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Called up share capital not paid	40,500,000	40,500,000
Income tax receivable	2,231	2,231
VAT recoverable	0	0
Other debtors	113,594	113,594
	<u>40,615,825</u>	<u>40,615,825</u>

#### **9. Creditors: Amounts falling due within one year**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Amounts owed to the ultimate holding body	1,055,882	994,119
Corporation tax payable	1,739	1,739
Accruals and deferred income	17,117	11,600
	<u>1,074,738</u>	<u>1,007,458</u>

The amounts owed to the ultimate holding body bear interest, have no fixed repayment date and are unsecured. Interest is payable at 2% over LIBOR.

#### **10. Convertible debt**

The Unsecured Convertible Loan Notes were issued to the Church Commissioners to finance medium term working capital requirements and are convertible at any time at par into ordinary shares at nominal value at the lender's option before 31 December 2002. These Notes constitute one class of debenture and may be redeemed at par by the company at any time. Interest is payable at 1% over LIBOR.

# **CEDARVALE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997 (continued)**

### **11. Called up share capital**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Authorised ordinary shares of £1 each	88,861,000	88,861,000
Ordinary shares of £1 each		
Issued, called up and fully paid:	48,300,100	48,300,100
Issued, called up and nil paid:	40,500,000	40,500,000
Total shares issued	88,800,100	88,800,100

The nil paid ordinary share capital has been called for 31 December 1999.

### **12. Profit and loss account**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	(87,538,067)	(712)
Profit/(loss) for the year	3,988,707	(87,537,355)
Balance at 31 December	(83,549,360)	(87,538,067)

### **13. Reconciliation of movements in shareholders' funds**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the financial year	3,988,707	(87,537,355)
Dividend paid	0	0
Net increase/(decrease) in shareholders' funds	3,988,707	(87,537,355)
Opening shareholders' funds	1,262,033	799,388
Shares allotted during year	0	88,000,000
Closing shareholders' funds	5,250,740	1,262,033

### **14. 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.

### **15. Ultimate holding body**

The Company 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.