

Company No: 2604504

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# Cofton Land & Property (Cardiff) Limited

Annual Report

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◆ *Year ended 30 September 2001* ◆

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## **COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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## **COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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### **COMPANY INFORMATION**

Directors                      T E Barnsdall (Chairman)  
                                    A J Stanton  
                                    P Postlethwaite  
                                    M J King

Secretary                     P Postlethwaite

Registered office            Cofton House  
                                    Firwood Road  
                                    Garretts Green  
                                    Birmingham  
                                    B33 0ST

Registered number         2604504

Auditors                     RSM Robson Rhodes  
                                    Chartered Accountants  
                                    Centre City Tower  
                                    7 Hill Street  
                                    Birmingham  
                                    B5 4UU

Bankers                      Bank of Scotland  
                                    St Andrew Square Branch  
                                    PO Box 10  
                                    38 St Andrew Square  
                                    Edinburgh  
                                    EC3V 3QE

## **COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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### **REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 30 September 2001.

#### **Principal activity**

The principal activity of the company is the sale of serviced land and property for residential development.

#### **Business review and future prospects**

A pre-tax loss of £89,075 (2000 : £716,760 profit) is reported for the year ended 30 September 2001.

The company completed no new land deals in the year. The company is currently working to maximise the planning potential of its retained land holdings at Rhoose Point, South Wales before making further sales. Civil engineering works on site will continue in 2002.

The directors anticipate that sales will take place during the current financial year, and that these will yield satisfactory profits.

#### **Dividends**

The directors do not recommend the payment of a dividend (2000 : £450,000).

#### **Directors**

The directors of the company are set out on page 1. All of the directors served throughout the year.

None of the directors has a beneficial interest in the shares of the company. The interests of the directors in the shares of the ultimate holding company, Cofton Group Limited, are disclosed in the financial statements of that company.

No director had any material interest in any contract or arrangement with the company during the year.

#### **Directors' responsibilities for the Annual Report**

Company law in the United Kingdom 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

## **COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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### **REPORT OF THE DIRECTORS**

**(continued)**

#### **Directors' responsibilities for the Annual Report**

**(continued)**

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with Company Law in the United Kingdom.

#### **Auditors**

The auditors, RSM Robson Rhodes, are willing to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

#### **Approval**

The report of the directors was approved by the Board on 1 March 2002 and signed on its behalf by:



PHILIP POSTLETHWAITE  
Secretary

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COFTON LAND & PROPERTY (CARDIFF) LIMITED**

We have audited the financial statements on pages 5 to 11.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 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 as at 30 September 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes  
Chartered Accountants and Registered Auditors

Birmingham, England  
1 March 2002

**COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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**PROFIT AND LOSS ACCOUNT****for the year ended 30 September 2001**

	Note	2001 £	2000 £
<b>Turnover - continuing operations</b>	2	6,747	23,578,560
Cost of sales		(97,257)	(21,553,439)
		<hr/>	<hr/>
<b>Gross (loss)/profit</b>		(90,510)	2,025,121
Administrative expenses		1,108	(1,308,511)
		<hr/>	<hr/>
<b>Operating (loss)/profit - continuing operations</b>	3	(89,402)	716,610
Interest receivable		327	150
Interest payable		-	-
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(89,075)	716,760
Tax on (loss)/profit on ordinary activities	6	26,723	(216,341)
		<hr/>	<hr/>
<b>(Loss)/profit after taxation</b>		(62,352)	500,419
Equity dividends		-	(450,000)
		<hr/>	<hr/>
<b>Retained (loss)/profit for the year</b>	12	(62,352)	50,419
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There were no recognised gains or losses other than those reported above.

**COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
**for the year ended 30 September 2001**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Total recognised (losses)/gains	(62,352)	50,419
Opening shareholders' funds	70,601	20,182
	<hr/>	<hr/>
Closing shareholders' funds	8,249	70,601
	<hr/>	<hr/>



**COFTON LAND & PROPERTY (CARDIFF) LIMITED**

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**BALANCE SHEET**  
**at 30 September 2001**

	Note	2001 £	2000 £
<b>Current assets</b>			
Stocks and work in progress	7	2,934,730	2,067,168
Debtors	8	114,334	15,347,285
Future works deposits	9	1,670,735	5,268,238
Cash at bank and in hand		786	311
		<hr/>	<hr/>
<b>Creditors:</b> Amounts falling due within one year	10	4,720,585 (4,712,336)	22,683,002 (22,612,401)
		<hr/>	<hr/>
<b>Net assets</b>		8,249	70,601
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account	12	8,247	70,599
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		8,249	70,601
		<hr/>	<hr/>

The financial statements were approved by the Board on 1 March 2002 and signed on its behalf by:



THOMAS EDWARD BARNSDALL  
Director

## COFTON LAND & PROPERTY (CARDIFF) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

30 September 2001

#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

In preparing the financial statements on a going concern basis, the directors are confident that the company will continue in operational existence for the foreseeable future with the support of its parent undertaking, Cofton Group Limited, and that adequate sources of finance will be available for future operations.

##### **Turnover and profit recognition**

Turnover represents sales of development land and property excluding value added tax. Turnover is recognised on unconditional exchange of contracts, or conditional if:

- (1) The contract becomes unconditional shortly after the year end;
- (2) The contract is materially the same at both the conditional and unconditional stages.

Gross profit is the lower of margin earned to date on sales and that forecast at completion of the development. Immediate provision is made for all foreseeable losses if a project is assessed as unprofitable.

##### **Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Contract work in progress comprises unmeasured work, less foreseeable losses. Land development projects represent costs incurred on those projects not yet recognised for profit purposes, less irrecoverable amounts written off.

##### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

#### 2. TURNOVER

Turnover is all in respect of the company's activities within the United Kingdom.

#### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is arrived at after charging:

	2001 £	2000 £
Auditors' remuneration	1,500	1,500

## COFTON LAND & PROPERTY (CARDIFF) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

30 September 2001

#### 4. EMPLOYEES

The company did not employ any people during the year. No employee recharges have been made by Cofton Group Limited, or any of its subsidiary companies, during the year.

#### 5. DIRECTORS

The directors did not receive any emoluments from the company during the year.

#### 6. TAXATION

Taxation (credit)/charge for the year:

	2001 £	2000 £
Corporation tax at 30% (2000 : 30%)	-	215,028
Amendment of previous years' estimates	(26,723)	1,313
	<u>(26,723)</u>	<u>216,341</u>

#### 7. STOCKS AND WORK-IN-PROGRESS

	2001 £	2000 £
Land for development	1,463,305	1,350,099
Land development projects, less irrecoverable amounts written off	1,471,425	717,069
	<u>2,934,730</u>	<u>2,067,168</u>

Replacement cost would not be significantly different from the values stated above.

#### 8. DEBTORS

	2001 £	2000 £
<b>Due within one year</b>		
Land debtors	-	14,293,680
Other trade debtors	-	800,000
Amounts owed by group undertakings	-	253,605
Other debtors	114,334	-
	<u>114,334</u>	<u>15,347,285</u>

**COFTON LAND & PROPERTY (CARDIFF) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

30 September 2001

**9. FUTURE WORKS DEPOSITS**

	2001 £	2000 £
Future works deposits	1,670,735	5,268,238

Future works deposits represent monies held in escrow, in respect of development works on legally completed projects. These funds are released to the company as agreed construction stages are satisfactorily completed. Deposits at the balance sheet date include £836,148 (2000 : £3,887,913) due for release within one year.

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Encashed bonds	-	6,156,147
<b>Borrowings</b>	-	6,156,147
Land creditors	-	7,762,000
Other trade creditors	7,500	4,697
Amounts owed to group undertakings	2,529,680	650,000
Corporation tax	188,305	216,341
Other taxes and social security	-	1,157,265
Group relief payable	56,172	56,172
Accruals and deferred income	1,500	3,025
<b>Amounts payable</b>	2,783,157	9,849,500
Cost to complete future works	1,929,179	6,606,754
	4,712,336	22,612,401

Cost to complete future works is the value of outstanding contractual obligations in respect of site works and infrastructure, together with other related expenses, recognised for the purposes of attributing profit to land projects and civil engineering contracts. These amounts represent anticipated expenditure yet to be incurred in the normal course of business.

## COFTON LAND & PROPERTY (CARDIFF) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

30 September 2001

#### 11. SHARE CAPITAL

	2001 £	2000 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted and fully paid</b>		
2 ordinary shares of £1 each	2	2

#### 12. PROFIT AND LOSS ACCOUNT

	2001 £	2000 £
At 1 October 2000	70,599	20,180
Retained (loss)/profit for the year	(62,352)	50,419
At 30 September 2001	8,247	70,599

#### 13. BANK LOANS, OVERDRAFTS AND CONTINGENT LIABILITIES

The Cofton Group's banking facilities are subject to cross guarantees entered into by the parent company and its subsidiaries. The company has created a floating charge over all its assets to secure all amounts owing to Bank of Scotland by the parent company and its subsidiary undertakings.

#### 14. PARENT UNDERTAKING

The ultimate parent company is Cofton Group Limited, which is registered in England and Wales. Its annual report is available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.