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LEECH HOMES (HUMBERSIDE) LIMITED  
(A wholly-owned subsidiary of  
CH Beazer (Holdings) PLC)

30 June 1985



## LEECH HOMES (HUMBERSIDE) LIMITED

### DIRECTORS' REPORT

The directors present their annual report together with the accounts of the company for the 10 months to 30 June 1985.

### HOLDING COMPANY

During the period the company's ultimate holding company changed from William Leech PLC to CH Beazer (Holdings) PLC.

### REVIEW OF THE BUSINESS AND RESULTS

The company's principal activities were house-building and development and contracting. On 1 September 1984 the trade, assets and liabilities of the company were transferred to Leech Homes (Southern) Limited. Since that date the company has not traded.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

JR Adamson	(Chairman) (Resigned 27 September 1984)
PM Milburn	(Resigned 12 February 1985)
J Livingston	(Resigned 12 February 1985)
RA Wilkinson	(Resigned 12 February 1985)
JD Houghton	(Resigned 12 February 1985)
MWJ Thorne	(Appointed 12 February 1985)
JH Bennett	(Appointed 12 February 1985)

The Articles of Association do not require the directors to retire by rotation.

As at 30 June 1985 MWJ Thorne was a director of CH Beazer (Holdings) PLC, the ultimate holding company and his interest in the share capital of that company is shown in its directors' report.

### AUDITORS

At the Annual General Meeting a resolution will be proposed to appoint Peat, Marwick, Mitchell & Co as auditors to the company.

By Order of the Board



JH Bennett  
Secretary

25 October 1985

## *Price Waterhouse*



### AUDITORS' REPORT TO THE MEMBERS OF LEECH HOMES (HUMBERSIDE) LIMITED

We have audited the financial statements on pages 3 to 10 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1985 and comply with the Companies Act 1985.

PRICE WATERHOUSE

Chartered Accountants

25 October 1985

LEECH HOMES (HUMBERSIDE) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 10 MONTHS ENDED 30 JUNE 1985

	<u>Note</u>	<u>1985</u>	<u>1984</u>
TURNOVER	1	-	1,086,949
Cost of sales		<u>-</u>	<u>(939,472)</u>
GROSS PROFIT		-	147,477
Administrative and selling expenses		<u>-</u>	<u>(167,395)</u>
OPERATING LOSS	3	-	(19,918)
Interest	4	<u>-</u>	<u>3,719</u>
LOSS BEFORE TAXATION		-	(16,199)
TAXATION ON LOSS ON ACTIVITIES		<u>-</u>	<u>-</u>
LOSS TRANSFERRED TO RESERVES	10	<u>£ -</u>	<u>£(16,199)</u>

LEECH HOMES (HUMBERSIDE) LIMITED

BALANCE SHEET - 30 JUNE 1985

	Note	<u>30 June 1985</u>	<u>31 August 1984</u>
FIXED ASSETS			
Tangible assets	5	-	20,452
CURRENT ASSETS			
Land for development		-	120,907
Stocks	6	-	410,030
Debtors	7	<u>651,009</u>	<u>497,249</u>
		<u>651,009</u>	<u>1,028,186</u>
CURRENT LIABILITIES			
Creditors due within one year	8	<u>-</u>	<u>397,629</u>
NET CURRENT ASSETS		<u>651,009</u>	<u>630,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 651,009</u>	<u>£651,009</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	9	190,875	190,875
PROFIT AND LOSS ACCOUNT	10	<u>460,134</u>	<u>460,134</u>
		<u>£ 651,009</u>	<u>£651,009</u>

Approved by the directors on 25 October 1985.

MWJ Thorne )  
JH Bennett ) Directors

*MWJ Thorne* *JH Bennett*  
*MWJ Thorne* *JH Bennett*

LEECH HOMES (HUMBERSIDE) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1985

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts have been prepared under the historical cost convention.

(2) Turnover

Turnover represents sales of houses legally contracted and completed in the period and the sales value of completed contracts.

(3) Profit-taking

Profits on sales of houses are brought into account when the sales have been legally contracted and completed.

Attributable profits on long term contracts are brought into account when their final outcome can be reasonably foreseen. Full provision is made for contracting losses as soon as the loss is recognised.

(4) Finance charges

All interest is charged to profit and loss account as incurred.

(5) Tangible fixed assets

Plant, including loose tools, scaffolding and site offices is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of tangible fixed assets on the straight line method over their estimated useful lives. The rates in use are as follows:

Plant - At rates varying between 10% and 33 1/3% per annum.

(6) Land for development, work in progress and stocks

These assets are stated at the lower of cost and estimated net realisable value. The cost of work in progress includes an appropriate proportion of production and administrative overheads.

(7) Deferred taxation

The company makes provision on the liability basis to the extent that the deferred taxation liability on accelerated capital allowances and other timing differences is likely to crystallise in the foreseeable future.

LEECH HOMES (HUMBERSIDE) LIMITED

NOTES TO THE ACCOUNTS (continued)

2 SEGMENT INFORMATION

Turnover and profit/(loss) on ordinary activities before taxation by class of business are analysed below:

	<u>Profit/(loss) on ordinary activities before taxation</u>		<u>Turnover</u>	
	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>
Housebuilding and development	-	(87,543)	-	826,364
Contracting	-	71,344	-	260,585
	<u>£ -</u>	<u>£(16,199)</u>	<u>£ -</u>	<u>£1,086,949</u>

On 1 September 1984 the trade, assets and liabilities of the company were transferred to Leech Homes (Southern) Limited. Since that date the company has not traded.

3 OPERATING LOSS

	<u>1985</u>	<u>1984</u>
	£	£
The operating loss is stated after charging the following amounts:		
Staff costs:		
Wages and salaries	-	311,175
Social security costs	-	31,951
Other pension costs	-	5,813
Depreciation	-	3,831
Hire of plant and machinery	-	5,173
Auditors' remuneration	-	2,000
Management charge from holding company (Note 4)	-	94,000

4 INTEREST

	<u>1985</u>	<u>1984</u>
Other interest payable	-	(56)
Interest receivable	-	3,775
	<u>£ -</u>	<u>£ 3,719</u>

During 1984 all group loan and overdraft interest was borne by the holding company, William Leech PLC, and a proportion was recharged to its operating subsidiaries. The amount recharged during 1984 was included in the management charge (Note 3).

LEECH HOMES (HUMBERSIDE) LIMITED

NOTES TO THE ACCOUNTS (continued)

5 TANGIBLE FIXED ASSETS

	<u>Plant</u>
	£
Cost	
At 1 September 1984	158,592
Transferred to Leech Homes (Southern) Limited	<u>(158,592)</u>
At 30 June 1985	-
Accumulated depreciation	
At 1 September 1984	138,140
Transferred to Leech Homes (Southern) Limited	<u>(138,140)</u>
At 30 June 1985	-
Net book amount at 30 June 1985	£ -
Net book amount at 31 August 1984	<u>£ 20,452</u>

6 STOCKS

	<u>1985</u>	<u>1984</u>
Raw materials and consumables	-	34,135
Work in progress	-	<u>375,895</u>
	£ -	<u>£410,030</u>

7 DEBTORS

Trade debtors	-	175,519
Amounts owed by group companies	651,009	245,137
Other debtors	-	64,984
Prepayments and accrued income	-	<u>11,609</u>
	<u>£651,009</u>	<u>£497,249</u>

Other debtors include £Nil (1984 - £5,470) falling due after more than one year.



LEECH HOMES (HUMBERSIDE) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8 CREDITORS DUE WITHIN ONE YEAR

	<u>1985</u>	<u>1984</u>
Bank overdraft	-	166,838
Amounts owed to group companies	-	119,344
Taxation and social security	-	13,892
Accruals and deferred income	-	<u>97,555</u>
£	<u>-</u>	<u>£397,629</u>

9 CALLED UP SHARE CAPITAL

	<u>1985</u>		<u>1984</u>	
	<u>Authorised</u>	<u>Allotted and fully paid</u>	<u>Authorised</u>	<u>Allotted and fully paid</u>
6½% free of tax cumulative preference shares of £1	12,000	7,875	12,000	7,875
Ordinary shares of £1	<u>183,000</u>	<u>183,000</u>	<u>183,000</u>	<u>183,000</u>
	<u>£195,000</u>	<u>£190,875</u>	<u>£195,000</u>	<u>£190,875</u>

10 PROFIT AND LOSS ACCOUNT

	<u>1985</u>	<u>1984</u>
Revenue reserves brought forward	460,134	476,333
Retained for the period (1984 year)	<u>-</u>	<u>(16,199)</u>
Revenue reserves carried forward	<u>£460,134</u>	<u>£460,134</u>

# LEECH HOMES (HUMBERSIDE) LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 11 DEFERRED TAXATION

The potential liability for deferred taxation not provided in the accounts is as follows:

	<u>1985</u>	<u>1984</u>
Taxation deferred, at 35% (1984 - 35%), in respect of:		
Capital allowances	-	5,500
Adjustment for other timing differences	-	(5,500)
including unabsorbed tax losses	-	
	<u>£ -</u>	<u>£ -</u>

Tax deferred by stock relief is treated as permanent.  
Tax losses amounting to £NIL (1984 £617,000) are available for relief against future taxable profits and to the extent of £NIL (1984 - £16,000) have been taken into account in arriving at the potential deferred taxation noted above.

These losses include stock relief, claimable under Finance Act 1981 but not utilised of £NIL (1984 - £50,000). The components of this amount are only available for utilisation against taxable profits within 6 years of the year in respect of which the relief was originally claimable.

### 12 HOLDING COMPANY

The company is a wholly-owned subsidiary of William Leech PLC. Its ultimate holding company is CH Beazer (Holdings) PLC., a company incorporated in Great Britain.

### 13 EMPLOYEES

	<u>1985</u>	<u>1984</u>
The average number of employees employed by the company during the period (1984 - year) was	<u>Nil</u>	<u>44</u>

LEECH HOMES (HUMBERSIDE) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

14 DIRECTORS' EMOLUMENTS

	<u>1985</u>	<u>1984</u>
Staff costs include the following emoluments in respect of directors of the company		
Executive remuneration	£ <u>Nil</u>	<u>£34,501</u>
Emoluments of directors excluding pension contributions were:		
Chairman	£ <u>Nil</u>	£ <u>Nil</u>
Highest paid director	£ <u>Nil</u>	<u>£16,376</u>
Other directors		
£ 0 - £ 5,000	5	2
£ 5,001 - £10,000	-	-
£10,001 - £15,000	-	-
£15,001 - £20,000	-	1

No employees earned emoluments in excess of £30,000 during the period (1984 - Nil).