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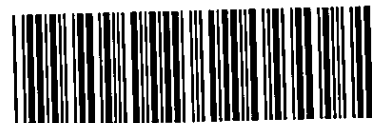
HUBERT C. LEACH LIMITED

Report of the Directors and

Financial Statements

for the year ended 31 December 2006

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HUBERT C LEACH LIMITED

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HUBERT C. LEACH LIMITED

Company Information
for the year ended 31 December 2006

DIRECTORS

P B Leach (Chairman)
J C Hatch (Managing)
J P Leach
C A Chapman
J B French
C R Shelton
N H Leach

SECRETARY

J B French

REGISTERED OFFICE

Hamels Mansion
Buntingford
Herts SG9 9NF

REGISTERED NUMBER

00447346

AUDITORS

The Trevor Jones Partnership LLP
Chartered Accountants
and Registered Auditor
Springfield House
99/101 Crossbrook Street
Waltham Cross
Herts EN8 8JR

BANKERS

Barclays Bank PLC
Property Finance Team,
Business Banking,
Floor 27,
One Churchill Place,
London, E14 5HP

HUBERT C LEACH LIMITED

Report of the Directors for the year ended 31 December 2006

The directors present their report with the financial statements of the company for the year ended 31 December 2006

RESULTS AND DIVIDENDS

The results of the group are set out on page five

The group profit retained for the year was £1,961,403

The directors recommend a preferred ordinary dividend of 4 2 pence per share and a deferred ordinary dividend of £10 per share

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The group is engaged in residential building

As projected last year, gross profit has improved from the 2005 levels. The Housing Market remains difficult and each house sale requires significant effort by all parts of the company.

Acquisition of land with suitable planning consents remains a major problem and the company has invested considerable efforts into improving its performance in this area. Subsequent to the balance sheet date, the company has been successful in the acquisition of a large piece of land for residential development.

There have been no significant events since the balance sheet date that materially affect the position of the company.

FIXED ASSETS

Movements on fixed assets are set out in note 11 to the financial statements.

DIRECTORS

The directors during the year under review were

P B Leach
J C Hatch
J P Leach
C A Chapman
J B French
C R Shelton
N H Leach

C A Chapman and C R Shelton retire by rotation and being eligible offer themselves for re-election.

Interests of the directors in the shares in the company are shown in note 21 to the financial statements.

CHARITABLE CONTRIBUTIONS

The company made charitable contributions in the year amounting to £1,260 (2005 £5,410).

HUBERT C LEACH LIMITED

**Report of the Directors (continued)
for the year ended 31 December 2006**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these 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 the 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are unaware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are aware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, The Trevor Jones Partnership LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



**J. B. French
SECRETARY**

Dated 4 May 2007

HUBERT C LEACH LIMITED

Report of the Independent Auditors to the Shareholders of Hubert C Leach Limited

We have audited the financial statements of Hubert C Leach Limited for the year ended 31 December 2006 on pages five to sixteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company and group as at 31 December 2006 and of the profit of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Trevor Jones

The Trevor Jones Partnership LLP
Chartered Accountants
and Registered Auditor
Springfield House
99/101 Crossbrook Street
Waltham Cross
Herts EN8 8JR

Dated 4 May 2007

HUBERT C. LEACH LIMITED**Group Profit and Loss Account
for the year ended 31 December 2006**

	Notes	2006 £000	2005 £000
TURNOVER	2	33,611	22,216
Cost of sales		<u>28,388</u>	<u>17,638</u>
GROSS PROFIT		5,223	4,578
Administrative expenses		<u>2,970</u>	<u>2,981</u>
OPERATING PROFIT	3	2,253	1,597
Amounts written off investments	6	(161)	7,013
Interest receivable	7	1,239	1,674
Interest payable	8	<u>(358)</u>	<u>(575)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,973	9,709
Tax on profit on ordinary activities	9	<u>1,012</u>	<u>794</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		1,961	8,915
Dividends	10	<u>-</u>	<u>136</u>
Retained profit for the year		1,961	8,779
Retained profit brought forward		<u>46,493</u>	<u>37,714</u>
RETAINED PROFIT CARRIED FORWARD		<u>48,454</u>	<u>46,493</u>
Retained profit for the year attributable to :			
Equity holders of the parent		1,835	8,779
Minority interests		<u>126</u>	<u>-</u>
Retained profit for the year		<u>1,961</u>	<u>8,779</u>

All results are derived from continuing operations

No Statement of Recognised Gains and Losses has been prepared, because there have been no recognised gains or losses other than the profit or loss for the current and prior year

The notes form part of these financial statements

HUBERT C. LEACH LIMITED

Balance Sheet 31 December 2006

	Notes	Group 2006 £000	2005 £000	Parent 2006 £000	2005 £000
FIXED ASSETS					
Tangible assets	11	8,063	4,971	8,063	4,971
Investments	12	<u>817</u>	<u>817</u>	<u>8,918</u>	<u>1,311</u>
		8,880	5,788	16,981	6,282
CURRENT ASSETS					
Stocks	13	21,844	39,420	21,724	39,420
Debtors	14	1,331	4,262	1,293	4,262
Investments	15	-	10,661	-	10,661
Cash at bank and in hand		<u>36,455</u>	<u>3,118</u>	<u>21,847</u>	<u>3,118</u>
		59,630	57,461	44,864	57,461
CREDITORS. Amounts falling due within one year	16	<u>10,555</u>	<u>13,886</u>	<u>11,459</u>	<u>15,058</u>
NET CURRENT ASSETS		<u>49,075</u>	<u>43,575</u>	<u>33,405</u>	<u>42,403</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>57,955</u>	<u>49,363</u>	<u>50,386</u>	<u>48,685</u>
CAPITAL AND RESERVES					
Called up share capital	17	62	62	62	62
Capital redemption reserve		18	18	18	18
Revaluation reserve	18	2,112	2,112	2,112	2,112
Other reserve		678	678	-	-
Profit and loss account	18	<u>48,328</u>	<u>46,493</u>	<u>48,194</u>	<u>46,493</u>
Equity attributable to equity shareholders of the parent		51,198	49,363	50,386	48,685
Minority interests	19	<u>6,757</u>	-	-	-
Total equity	20	<u>57,955</u>	<u>49,363</u>	<u>50,386</u>	<u>48,685</u>

ON BEHALF OF THE BOARD



P. B. Leach
DIRECTOR

Approved by the board on 4 May 2007

HUBERT C LEACH LIMITED**Group Cash Flow Statement
for the year ended 31 December 2006**

	Notes	2006 £000	2005 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES	1	22,532	2,880
Returns on investments and servicing of finance	2	881	(543)
Taxation		(1,072)	(289)
Capital expenditure and financial investment	3	14,004	274
Equity dividends paid		<u>(136)</u>	<u>(169)</u>
INCREASE IN CASH		<u>36,209</u>	<u>2,153</u>
RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET DEBT	4		
Increase in cash in period		36,209	2,153
Net funds at 1 January 2006		<u>(5,615)</u>	<u>(7,768)</u>
NET DEBT AT 31 DECEMBER 2006		<u>30,594</u>	<u>(5,615)</u>

The notes form part of these financial statements

HUBERT C. LEACH LIMITED

Notes to the Group Cash Flow Statement for the year ended 31 December 2006

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2006 £000	2005 £000
Operating profit	2,253	1,597
Depreciation charges	37	71
Profit on sale of tangible fixed assets	(2)	(35)
Decrease in stocks	17,576	2,075
Decrease/(increase) in debtors	2,931	(1,821)
(Decrease)/increase in creditors	<u>(263)</u>	<u>993</u>
Net cash inflow from operating activities	<u>22,532</u>	<u>2,880</u>

2 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2006 £000	2005 £000
Interest received	1,239	32
Interest paid	<u>(358)</u>	<u>(575)</u>
	<u>881</u>	<u>(543)</u>

3 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2006 £000	2005 £000
Acquisition of subsidiary	(7,616)	-
Cash acquired on purchase of subsidiary	14,238	-
Part disposal of subsidiary	9	-
Receipts from sale of current asset investments	10,500	245
Payments to acquire tangible fixed assets	(3,129)	(32)
Receipts from sales of tangible fixed assets	<u>2</u>	<u>61</u>
	<u>14,004</u>	<u>274</u>

4 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2006 £000	Cash flow £000	At 31 December 2006 £000
Cash at bank and in hand	3,118	33,337	36,455
Bank loans and overdrafts	(6,024)	5,703	(321)
Other loans – included in other creditors	<u>(2,709)</u>	<u>(2,831)</u>	<u>(5,540)</u>
	<u>(5,615)</u>	<u>36,209</u>	<u>30,594</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings and are in accordance with the applicable Accounting Standards

Basis of consolidation

The group accounts consolidated the financial statements of Hubert C Leach Limited and its subsidiary companies all of which are made up to 31 December 2006

The company has taken advantage of the exemption from presenting its own profit and loss account

Turnover

Group turnover represents sales by group companies to external customers net of value added tax, together with net income from property and excludes inter-company transactions

Tangible fixed assets

Depreciation is provided on tangible fixed assets other than freehold land and buildings as follows -

Plant and equipment – over the expected useful life of the assets ranging from 3 to 13 years

No depreciation is provided on freehold offices occupied by the group as these are revalued annually by the directors and the residual value of these properties is so high that any depreciation charge would be immaterial

Investment properties

The investment properties are shown at open market value each year as required by SSAP 19 and are valued by the directors. Any surplus or deficit arising is transferred to revaluation reserve. No depreciation is provided and the directors consider that this accounting policy results in the accounts giving a true and fair view.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes an addition for overhead expenditure. Profit is taken on individual house sales on the legal completion of the sale of the house.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

Retirement benefits

Rates of company contributions to the defined benefits scheme are charged to the profit and loss account based on the actuarial assessment of the long term funding requirements.

The company operates defined contribution schemes. Contributions payable for the year are charged in the profit and loss account.

Liquid resources

Short term Bank Treasury deposits are classified as liquid resources and are included as current asset cash at bank.

2. TURNOVER

	2006 £000	2005 £000
Building activities	33,054	21,961
Net property income	<u>557</u>	<u>255</u>
	<u>33,611</u>	<u>22,216</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

3. OPERATING PROFIT

	2006 £000	2005 £000
The operating profit is arrived at after charging/(crediting) -		
Depreciation – owned assets	37	71
Profit on disposal of fixed assets	(2)	(35)
Hire of plant and vehicles	63	37
Auditors remuneration		
Audit work	24	20
Other services	<u>22</u>	<u>19</u>

4. EMPLOYEES

	2006 £000	2005 £000
Employee costs (including directors)		
Salaries and wages	1,911	1,997
Social security costs	207	232
Other pension costs	<u>142</u>	<u>170</u>
	<u>2,260</u>	<u>2,399</u>

The average weekly number of direct employees (including directors) during the year was as follows -

	2006 Number	2005 Number
Management	45	54
Building	<u>6</u>	<u>6</u>
	<u>51</u>	<u>60</u>

Pension arrangements

With effect from 1 July 2003 the existing defined benefit scheme was closed to new accrual. All employees are now invited to participate in a defined contribution Group Personal Pension Scheme, operated by Scottish Equitable. Individual Defined Contributions, Occupational Pension Schemes have been established for five of the directors, also operated by Scottish Equitable.

The previous funded defined benefits scheme, The Leach Pension Scheme, was contracted out of the state scheme. The assets of the scheme continue to be held in a separate trustee administered fund. Contributions to that scheme were charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The company will continue to make contributions necessary to maintain the benefits accrued to 30th June 2003. The scheme was open to all permanent employees of the company over 21 years of age, including directors, and of the following companies which are under common control – Leach-Lewis Limited, Leach Lewis Plant Limited and Motivair Compressors Limited.

The pension cost charge for the year was £141,848 (2005 £170,092)

5. DIRECTORS

	2006 £000	2005 £000
Emoluments		
Directors' emoluments	596	596
Directors' pension contributions to money purchase schemes	<u>54</u>	<u>55</u>

Retirement benefits are accruing to five directors under the company's pension arrangements

	2006 £000	2005 £000
Information regarding the highest paid director is as follows		
Emoluments etc	<u>197</u>	<u>181</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2006 £000	2005 £000
Increase/(decrease) in year	<u>161</u>	<u>(7,013)</u>

7. INTEREST RECEIVABLE

	2006 £000	2005 £000
Arising on contract building	-	1,642
Arising on bank deposits	<u>1,239</u>	<u>32</u>
	<u>1,239</u>	<u>1,674</u>

On 27 March 2006 the company received interest of £1,641,877 which related to contract building work carried out in prior years and only became receivable on the completion of the sale of the project

8. INTEREST PAYABLE

	2006 £000	2005 £000
On bank loans and overdrafts	43	418
On other loans	<u>315</u>	<u>157</u>
	<u>358</u>	<u>575</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £000	2005 £000
UK corporation tax		
Current tax on income for the period	929	792
Adjustments in respect of prior periods	<u>83</u>	<u>2</u>
	<u>1,012</u>	<u>794</u>

10. DIVIDENDS

	2006 £000	2005 £000
Preferred ordinary – paid Nil (2005 4 2 pence)	-	2
Deferred ordinary – paid £NIL (2005 £8)	<u>-</u>	<u>134</u>
	<u>-</u>	<u>136</u>

Dividends have been proposed at 4 2 pence on the preferred ordinary shares and at £10 on the deferred ordinary shares. These dividends will be disclosed in the accounts in the year they are paid.

HUBERT C LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

11. TANGIBLE FIXED ASSETS

	Freehold properties £000	Plant and equipment £000	Total £000
Group and parent			
Cost or valuation			
At 1 January 2006	4,865	348	5,213
Additions	3,121	8	3,129
Disposals	-	(17)	(17)
At 31 December 2006	<u>7,986</u>	<u>339</u>	<u>8,325</u>
Depreciation			
At 1 January 2006	-	242	242
Charge for year	-	37	37
Eliminated on disposal	-	(17)	(17)
At 31 December 2006	<u>-</u>	<u>262</u>	<u>262</u>
Net book value			
At 31 December 2006	<u>7,986</u>	<u>77</u>	<u>8,063</u>
At 31 December 2005	<u>4,865</u>	<u>106</u>	<u>4,971</u>

The net book value of freehold
land and buildings comprises

	Group and parent	
	2006	2005
	£000	£000
Investment properties	5,986	2,865
Freehold offices	<u>2,000</u>	<u>2,000</u>
	<u>7,986</u>	<u>4,865</u>

The freehold properties were valued on an open-market basis as at 31 December 2006 by the directors

If the properties had been sold at this value there would have been no liability to corporation tax

The historical cost of the freehold properties included at valuation was as follows -

	2006	2005
	£000	£000
Cost	3,737	616
Net realisable value on transfer from trading stock	<u>2,137</u>	<u>2,137</u>
	<u>5,874</u>	<u>2,753</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

12 INVESTMENTS

	Subsidiary undertakings £000	Other undertakings £000	Total £000
Group			
Cost			
At 1 January 2006 and 31 December 2006	<u>-</u>	<u>817</u>	<u>817</u>
Parent			
Cost			
At 1 January 2006	494	817	1,311
Additions	7,616	-	7,616
Disposals	<u>(9)</u>	<u>-</u>	<u>(9)</u>
At 31 December 2006	<u>8,101</u>	<u>817</u>	<u>8,918</u>

Subsidiary undertakings

During the year, the company purchased shares in Swanfield (Hamels) Limited, a company registered in England, which is a property trading company, for £7,616,000 and at the year end 31 December 2006, held 48.31% of the share capital. At 31 December 2006 the aggregate capital and reserves of Swanfield (Hamels) Limited amounted to £14,498,000 and the profit for the period was £261,000.

All the other subsidiary undertakings were dormant.

Other undertakings

Leach-Lewis Limited, registered in England in which the company holds 74% of the 7½% preference shares and 100% of the 8.52% preference shares. At 31 March 2006 the aggregate capital and reserves of Leach-Lewis Limited amounted to £3,440,000 and the profit for that year was £86,000. However, the company has no interest in the ordinary share capital of Leach-Lewis Limited.

Garden Village Partnership PLC, registered in England in which the company holds one-third of the ordinary shares. At 31 December 2005 the aggregate capital and reserves of Garden Village Partnership PLC amounted to £92,192 and the profit for that year was £7,346. The amounts at 31 December 2006 were not available. This undertaking was sold following the year end.

13 STOCKS

	Group		Parent	
	2006 £000	2005 £000	2006 £000	2005 £000
Building land	13,114	22,404	12,994	22,404
Work in progress	7,545	16,637	7,545	16,637
Part exchange properties	1,138	332	1,138	332
Freehold reversions	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>
	<u>21,844</u>	<u>39,420</u>	<u>21,724</u>	<u>39,420</u>

14. DEBTORS

	Group		Parent	
	2006 £000	2005 £000	2006 £000	2005 £000
Amounts receivable within one year				
Trade debtors	329	2,163	329	2,163
Other debtors	448	344	448	344
Prepayments and accrued income	<u>554</u>	<u>1,755</u>	<u>516</u>	<u>1,755</u>
	<u>1,331</u>	<u>4,262</u>	<u>1,293</u>	<u>4,262</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

15. INVESTMENTS

	Group and parent	
	2006	2005
	£000	£000
Amount owed by Leach Finance Limited	161	10,661
Less: Provision	(161)	-
	<u>-</u>	<u>10,661</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2006	2005	2006	2005
	£000	£000	£000	£000
Bank loan and overdraft (secured)	321	6,024	321	6,024
Trade creditors	3,319	3,257	3,319	3,257
Amount owed to subsidiary undertakings	-	-	1,189	1,172
Proposed dividends	-	136	-	136
Corporation tax	690	750	410	750
Other taxation and social security	110	242	110	242
Other creditors	5,581	2,816	5,581	2,816
Accruals and deferred income	<u>534</u>	<u>661</u>	<u>529</u>	<u>661</u>
	<u>10,555</u>	<u>13,886</u>	<u>11,459</u>	<u>15,058</u>

The bank loans and overdraft are secured by charges over some of the land and buildings of the group

17. CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised		
60,000 4 2% preferred ordinary shares of £1 each	60,000	60,000
60,000 deferred ordinary shares of £1 each	60,000	60,000
1,000 5% redeemable preference shares of 5p each	<u>50</u>	<u>50</u>
	<u>120,050</u>	<u>120,050</u>
Allotted, issued and fully paid		
45,150 4 2% preferred ordinary shares of £1 each	45,150	45,150
16,716 deferred ordinary shares of £1 each	<u>16,716</u>	<u>16,716</u>
	<u>61,866</u>	<u>61,866</u>

HUBERT C LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

18 RESERVES

	Group and Parent	
	2006	2005
	£000	£000
Revaluation reserve		
At 1 January 2006 and 31 December 2006	<u>2,112</u>	<u>2,112</u>
The revaluation reserve comprises		
Surplus on revaluation - investment properties	417	417
- freehold offices	<u>1,695</u>	<u>1,695</u>
	<u>2,112</u>	<u>2,112</u>
	Group	Parent
	£000	£000
Profit and loss account		
At 1 January 2006	46,493	46,493
Retained profit for year attributable to equity shareholders	<u>1,835</u>	<u>1,701</u>
At 31 December 2006	<u>48,328</u>	<u>48,194</u>

The amount of group profit for the year dealt with in the accounts of the parent company is £1,700,807 (2005 £8,778,647)

19 MINORITY INTERESTS

	2006	2005
	£000	£000
On acquisition of subsidiary	6,631	-
Profit for the year	<u>126</u>	<u>-</u>
At 31 December 2006	<u>6,757</u>	<u>-</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Parent	
	2006	2005	2006	2005
	£000	£000	£000	£000
Profit for the financial year	1,835	8,915	1,701	8,915
Dividends	<u>-</u>	<u>(136)</u>	<u>-</u>	<u>(136)</u>
Net addition to shareholders' funds	1,835	8,779	1,701	8,779
Opening shareholders' funds	<u>49,363</u>	<u>40,584</u>	<u>48,685</u>	<u>39,906</u>
Closing shareholders' funds	51,198	49,363	50,386	48,685
Minority interests	<u>6,757</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity	<u>57,955</u>	<u>49,363</u>	<u>50,386</u>	<u>48,685</u>

HUBERT C. LEACH LIMITED

Notes to the Financial Statements for the year ended 31 December 2006

21. DIRECTORS INTERESTS

	31 December 2006		1 January 2006	
	Ordinary shares		Ordinary shares	
Beneficial	Preferred	Deferred	Preferred	Deferred
P B Leach	21,075	-	21,075	-
J C Hatch	-	-	-	-
J P Leach	750	4,179	750	4,179
C A Chapman	-	-	-	-
J B French	-	-	-	-
C R Shelton	-	-	-	-
N H Leach	5,643	2,089	5,643	2,089

22. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees relating to building agreements entered into in the normal course of business

23. RELATED PARTY TRANSACTIONS

- a Other creditors (note 16) includes loans to the company by directors, shareholders and connected persons amounting to £5,539,802 (2005 £2,709,227) Loans are repayable on demand Loans received interest at one per cent above bank base rate
- b During the year, four of the directors of the company received shares in Swanfield (Hamels) Limited, which is a subsidiary undertaking These shares were valued at £2,000 each for C A Chapman, J B French and C R Shelton and at £3,000 for J C Hatch