

2205712

TWIGDEN HOMES LIMITED

FINANCIAL STATEMENTS

fifteen months ended 30th June, 1993



MacIntyre Hudson  
Chartered Accountants  
Moorgate House  
201 Silbury Boulevard  
Central Milton Keynes  
MK9 1LZ

(0908) 662255

TWIGDEN HOMES LIMITED

COMPANY INFORMATION

REGISTERED OFFICE

The Shrubbery,  
Church Street,  
St. Neots,  
Cambs.  
PE19 2BU.

COMPANY REGISTRATION NUMBER

2205712

DIRECTORS

D.V. Brand MA FCA  
N.E. Roe  
R.D. Stephens

SECRETARY

M.J. McColl

AUDITORS

MacIntyre Hudson,  
Moorgate House,  
201 Silbury Boulevard,  
Central Milton Keynes,  
MK9 1LZ.

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the period 1st April, 1992 to 31st June, 1993.

## 1. ACCOUNTING REFERENCE DATE

The company's accounting reference date was extended during the period from 31st March to 30th June to be consistent with the new ultimate parent company. Consequently, these financial statements cover a period of fifteen months.

## 2. PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is land and property development.

Following the acquisition of the Twigden Limited group of companies by Kier Group plc the trades, assets and liabilities of Twigden Homes East Anglia Limited have been transferred back to that company.

The company continues to be affected by the depression in the housing market reducing the number of units sold and the level of gross profit margin achieved. Positive action has been taken to reduce costs.

## 3. RESULTS AND DIVIDENDS

The results for the period after taxation dealt with in the financial statements are:

Dividends - paid

£  
971,698  
(17,963,298)

Decrease in reserves

£(16,991,600)  
=====

## 4. DIRECTORS

The directors of the company during the period were:

D.V. Brand MA FCA	Appointed 27th April, 1993
M.D. Hemmings	Resigned 1st June, 1992
A.L. James	Resigned 28th April, 1993
N.E. Roe	
C.R. Smith	Resigned 28th April, 1993
R.D. Stephens	Appointed 27th April, 1993
D.R. Twigden	Resigned 27th April, 1993
I.R. Twigden	Resigned 27th April, 1993

## 5. FIXED ASSETS

The changes during the period in the company's fixed assets are summarised in note 1 to the financial statements.

REPORT OF THE DIRECTORS (continued)


6. DIRECTORS' INTERESTS

No directors had any beneficial interest in the shares of the company during the period. Any interests of directors who were also directors of the holding company or the ultimate holding company appear in the report of the directors of that company.

7. AUDITORS

Messrs MacIntyre Hudson have indicated their willingness to continue in the office as auditors of the company and, in accordance with Section 385 of the Companies Act 1985, a resolution for their appointment will be proposed at the forthcoming Annual General Meeting.

By order of the Board

  
M/J. McColl  
Secretary

The Shrubbery,  
Church Street,  
St. Neots,  
Cambridgeshire,  
PE19 2BU.

7th September, 1993.

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
TWIGDEN HOMES LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June, 1993 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Moorgate House,  
201 Silbury Boulevard,  
Central Milton Keynes,  
MK9 1LZ.

7th September, 1993

MacIntyre Hudson

Chartered Accountants  
& Registered Auditor

TWIGDEN HOMES LIMITED

BALANCE SHEET

Page 4

30th June, 1993

	Notes	30th June, 1993 £	31st March, 1992 £
<b>FIXED ASSETS</b>			
Tangible assets	1	213,496	474,181
<b>CURRENT ASSETS</b>			
Land stock and work in progress		15,522,081	19,199,874
Debtors	2	4,142,927	266,366
Cash at bank and in hand		6,262,593	3,263,982
		<u>25,927,605</u>	<u>22,730,222</u>
<b>CREDITORS: Amounts falling due within one year</b>	3	<u>26,141,100</u>	<u>6,212,801</u>
<b>NET CURRENT (LIABILITIES)/ ASSETS</b>		<u>(213,494)</u>	<u>16,517,421</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£ 2</u>	<u>£16,991,602</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	2	2
Profit and loss account	5	-	16,991,600
		<u>£ 2</u>	<u>£16,991,602</u>

These financial statements were approved by the Board on Directors on 7th September, 1993.

.....  
D.V. Brand  
.....  
R.D. Stephens

Directors

## PROFIT AND LOSS ACCOUNT

fifteen months ended 30th June, 1993

	Notes	fifteen months ended 30th June, 1993		year ended 31st March, 1992
		£	£	£
TURNOVER			7,982,188	14,825,019
Cost of sales			6,456,084	11,545,974
GROSS PROFIT			1,526,104	3,279,045
Administration expenses			567,877	883,027
OPERATING PROFIT			958,227	2,396,018
Rent receivable		42,363		10,300
Interest receivable		372,942		108,865
		415,305		119,165
Interest payable		323		39,117
			414,982	80,048
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7		1,373,209	2,476,066
Taxation	8		401,511	811,861
PROFIT AFTER TAXATION ON ORDINARY ACTIVITIES			971,698	1,664,205
Dividends	9		17,963,298	-
RETAINED FOR THE FINANCIAL PERIOD	5		£(16,991,600)	£ 1,664,205

All of the company's operations are classed as continuing.

The company had no recognised gains and losses other than profit for the period.

The statement of movements on reserves is shown as note 5 to these financial statements.

## STATEMENT OF ACCOUNTING POLICIES

## ACCOUNTING CONVENTION

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

## DEPRECIATION:

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives at the following rates:-

Plant and equipment	-	25% straight line
Fixtures, fittings and equipment	-	10% straight line

## STOCK AND WORK IN PROGRESS

Land stock has been valued at the lower of cost price plus acquisition expenses or net realisable value. The value of site materials has been arrived at by valuing stocks at cost on a first in, first out basis. Work in progress is valued at cost of materials, labour, subcontractors and attributable overheads.

## DEFERRED TAX

Deferred tax is provided under the liability method at the current rate of taxation. Provision is made in full on all short term timing differences and on those long term timing differences which are expected to reverse in the future.

## TURNOVER

Turnover, which excludes value added tax, represents the provision of building services to group companies and house and land sales to independent purchasers. Income and profit are recognised at the date of legal completion of a sale.

## PENSION SCHEME

Until 31st May, 1993 the Group operated defined contribution pension schemes with assets held separately from those of the company in independently administered funds. Consequently the charge to the profit and loss account, in respect of this period, was fixed under the terms of the schemes and there is no potential liability other than for the payments of those instalments.

The defined contribution schemes were terminated when staff became eligible to participate in the defined benefit pension scheme operated by Kier Group plc.

From 1st June, 1993, the pension costs charged against profits are based on an actuarial method and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the pension scheme, in a way that seeks to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable salary roll. Variations from regular costs are spread over the average remaining service of current employees in the pension scheme.

## LEASING

Rentals on operating leases are charged to the profit and loss account in the period in which they fall due.

## CASHFLOW

The company's cashflows will be included in the group cashflow statement prepared by the ultimate parent company and therefore a separate cashflow statement has not been prepared.



## NOTES TO THE FINANCIAL STATEMENTS

fifteen months ended 30th June, 1993

## 1. FIXED ASSETS

	Plant and equipment £	Fixtures, fittings & equipment £	Total £
Cost			
At 1st April, 1992	745,803	64,382	810,185
Additions	71,365	-	71,365
Disposals	(226,351)	(23,386)	(249,737)
At 30th June, 1993	<u>590,817</u>	<u>40,996</u>	<u>631,813</u>
Depreciation			
At 1st April, 1992	299,318	36,686	336,004
Charge for year	196,611	4,853	201,464
Disposals	(100,338)	(18,813)	(119,151)
At 30th June, 1993	<u>395,591</u>	<u>22,726</u>	<u>418,317</u>
Net book value			
At 30th June, 1993	<u>£195,226</u>	<u>£ 18,270</u>	<u>£213,496</u>
At 30th June, 1992	<u>£446,485</u>	<u>£ 27,696</u>	<u>£474,181</u>

fifteen months  
ended 30th  
June, 1993year ended  
31st March,  
1992

## 2. DEBTORS

	£	£
Trade debtors	592,800	74,723
Due from parent and fellow subsidiaries	3,347,649	-
VAT recoverable	77,301	127,194
Prepayments	125,177	64,449
	<u>£4,142,927</u>	<u>£ 266,366</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

fifteen months ended 30th June, 1993

	30th June, 1993	31st March, 1992
3. CREDITORS : amounts falling due within one year	£	£
Bank overdraft	24,574,821	-
Trade creditors	547,201	1,344,348
Due to parent and fellow subsidiary	59,835	3,198,662
Corporation tax	476,485	1,090,951
Taxation and social security	13,757	38,732
Director's loan	-	710
Accruals	469,001	539,398
	<u>£26,141,100</u>	<u>£6,212,801</u>
4. SHARE CAPITAL	£	£
Authorised 100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid Ordinary shares of £1 each	<u>2</u>	<u>2</u>
5. PROFIT AND LOSS ACCOUNT	£	£
Balance brought forward	16,991,600	15,327,395
Retained in period	(16,991,600)	1,664,205
	<u>£ Nil</u>	<u>£16,991,600</u>
6. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS	£	£
Results for the period	971,698	1,664,205
Dividends	(17,963,298)	-
Net adjustment to shareholders' funds	<u>(16,991,600)</u>	<u>1,664,205</u>
Shareholders' funds brought forward	16,991,602	15,327,397
Shareholders' funds carried forward	<u>£ 2</u>	<u>£16,991,602</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

fifteen months ended 30th June, 1993

	fifteen months ended 30th June, 1993	year ended 31st March, 1992
7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The profit on ordinary activities is stated after charging or crediting:		
	£	£
Cost of sales:		
Depreciation	100,946	62,126
Adjustment on disposal	3,107	(3,584)
Hire of plant and machinery	72,228	94,315
	<u>          </u>	<u>          </u>
Interest received:		
Deposits	372,916	106,545
Late completion of sales	26	2,320
	<u>          </u>	<u>          </u>
	372,942	108,865
	<u>          </u>	<u>          </u>
Interest payable:		
On bank overdrafts payable within five years otherwise than by instalments	323	39,117
	<u>          </u>	<u>          </u>
Administration expenses:		
Auditors' remuneration	14,000	7,900
Depreciation	100,518	92,079
Adjustment on disposal	1,193	(9,120)
Operating lease rentals		
- plant and machinery	3,684	5,401
- other	107,000	107,000
	<u>          </u>	<u>          </u>
8. TAXATION		
	£	£
Profit and Loss Account		
UK Corporation tax based on the profit for the period at 33%	478,119	811,861
Corporation tax adjustment for previous periods	(76,608)	-
	<u>          </u>	<u>          </u>
	£ 401,511	£ 811,861
	<u>          </u>	<u>          </u>
9. DIVIDENDS		
Final dividend of £8,981,649 (31st March, 1992 - £NIL) per share paid	£17,963,298	£ -
	<u>          </u>	<u>          </u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

fifteen months ended 30th June, 1993

	fifteen months ended 30th June, 1993	year ended 31st March, 1992
10. EMPLOYEES	No.	No.
The average weekly number of employees during the year was made up as follows:		
Office and management	24	38
Site	26	28
	<u>50</u>	<u>66</u>
	£	£
Staff costs amounted to:		
Wages and salaries	842,607	756,753
Social security costs	77,041	76,598
Pension costs	12,216	16,244
	<u>£ 931,864</u>	<u>£ 849,595</u>

No remuneration was paid to the directors in the period.

## 11. OPERATING LEASING COMMITMENTS

At 30th June, 1993 the company had the following annual commitments under non-cancellable operating leases:

Operating leases which expire:

Within one year	£ -	£ 2,740
Within two to five years	£ 34,500	£ 34,500
Over five years	£ 72,000	£ 72,000

With the exception of the leases expiring within one year the leases relate to land and buildings.

## 12. CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure the bank borrowings of Twigden Limited. At 30th June, 1993 the amount outstanding was £Nil (1992: £Nil).

There are contingent liabilities in respect of guarantees and claims under contracting and other agreements, including joint ventures, entered into in the normal course of business for which adequate allowance has, in the opinion of the directors been made.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

fifteen months ended 30th June, 1993

fifteen months  
ended 30th June,  
1993year ended  
31st March,  
1992

## 13. FINANCIAL COMMITMENTS

The company has the following future commitments

Contracted	171,000	1,252
Non - contracted	-	-
	<u>          </u>	<u>          </u>

## 14. PARENT COMPANIES

The ultimate parent company is Kier Group plc and the immediate parent company Twigden Limited. Both companies are registered in England.