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LEECH

Annual Report

1981



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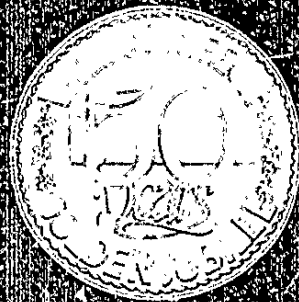
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Annual Report

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The Kingston Park Centre. Left to right: Kingston Squash Club and Occasional function suites, the Shopping Centre, Leech Head Office Complex, Kings Court Public House and Cleveland Restaurant.

LEECH



THE

William Leech, the Founder



Mr. William Leech started building houses on Wyreside in 1932. In those days the Company was selling homes for £280 each! Already the cornerstone for future growth and prosperity was laid—giving homebuyers true value for money.

Within 5 years the Company was building at a rate of 500 houses a year—a progress interrupted only by the Second World War.

—SEMI-DETACHED—
3 ROOMED HOUSES.

LOW FIELD ESTATE,
Near WALKER PARK.

£280



WEEKLY OUTLAY 12 6.

Space for Garage, Electric Throughout,
Gas Cooker, Wireless Plug,
Garden Front, Side and Back,
Choice of Combination Range,
Cory Stove or Sitting Room Fire.

CONVENIENT FOR BUSES, CARS AND TRAINS



Right from the outset value for money has been the cornerstone of success.



Housing Association, Davenport Lodge.

Immediately following the War private housing was severely restricted and William Leech Limited switched to building homes for local authorities.

The emphasis soon swung back to private housing, which by the late 1950's was the Company's predominant business. The involvement in contracting continued however, and steadily developed into what is today a thriving sector of the Leech Organisation...Leech Construction.

1968 saw the Company's first expansion outside of the North East with the acquisition of a building company in Scotland. Now called Leech Homes (Scotland) Ltd, this subsidiary is a major house builder north of the border and assumes a vigorous on-going policy of land acquisition.

In the '70's further expansion took place with the formation of Leech Homes (North West) Ltd, based in Manchester and Leech Homes (Midlands) Ltd, in Nottingham.

In addition the Company diversified into property investment with the founding of St. James Properties Ltd, and into the leisure industry with Leech Leisure Ltd.

Today the Leech empire extends from the Home Counties to the heart of Scotland.

The Group is currently building on over 70 developments throughout the U.K.

Richard Adamson, Chairman



Now Leech Limited is a major private house builder due in no small measure to the money policy that...

The value of conservative sales and development by Chairman Richard Adamson...

Leech are the leaders in introducing new concepts to the housing market.

£530,000
195

The big Leech build-up. Cost management and a product...

THE BIG BUILD-UP

£50,286,000

Richard Adamson, Chairman



Leech have kept ahead of the field in product range and in offering positive help to homebuyers.

The Company thinks well-ahead and moves quickly. Quick to communicate confidence to hesitant buyers in uncertain times. First to adopt new concepts in living such as the remarkable one-person Uniflats. The top-selling new Country Style ranges of homes with rural styling, in village type arrangements and with high-performance insulation is a typical example of Leech enterprise.

Leech are bringing life back to "dead loss" land in our inner urban areas, in close liaison with local authorities.

The Leech build-up makes quite a record and gives good cause for celebration in this the Leech Golden Jubilee year.

Following the...
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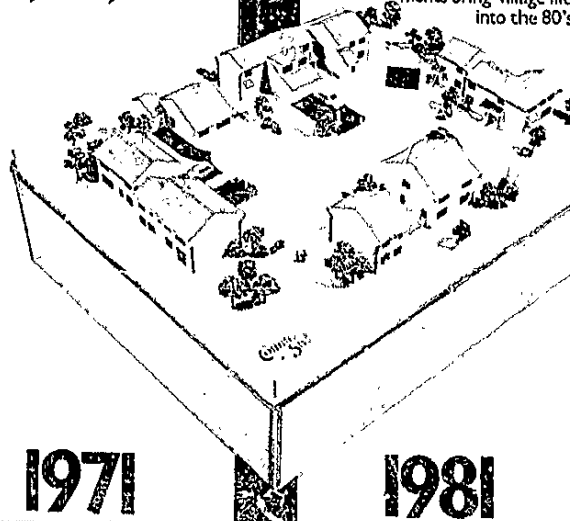
Now Leech Homes are one of the 'Big 5' private house builders in the U.K., an achievement due in no small measure to a conscious value-for-money policy that dates right back to 1932.

The value concept—together with an aggressive sales and development policy—is upheld today by Chairman Richard Adamson.

Leech are the recognised leaders in introducing new concepts to the housing market.

£5,953,000

Typical of Leech the innovators...
New Country Style develop...
ments bring village life...
into the 80's



£2,830,000

1961

£530,000

1951

1971

1981

The big Leech build-up. Columns indicate mounting turnover since the early fifties. Key factors in this growth are far-sighted, vigorous management and a product range always ahead in design, ideas and technology.



THE LEECH HOMES GROUP

LEECH HOMES LTD.

Kingston House
Kingston Park Centre, Kington
Newcastle upon Tyne, NE3 1BT
Tel: (0632) 868311

LEECH HOMES (NORTH EAST) LTD.

City House, City Road
Newcastle upon Tyne NE99 1PG
Tel: Newcastle (0632) 329954

LEECH HOMES (WALES) LTD.

Stockport Road, Cheddle Heath
Stockport, Cheshire SK3 0PE
Tel: Stockport (061) 429 7500

LEECH HOMES (SCOTLAND) LTD.

54 Graham's Road, Falkirk
Stirlingshire FK11 1W
Tel: Falkirk (0324) 20411

LEECH HOMES (YORKSHIRE) LTD.

Rock House, Stockhill Lane
Basford, Nottingham
Tel: Nottingham (0602) 708831

LEECH

Stockport
Tel: Stockport

LEECH

62-68
South
Tel: Gr

LEECH HOMES

LEECH HOMES (SCOTLAND) LTD

LEECH HOMES (NORTH EAST) LTD

LEECH HOMES (YORKSHIRE) LTD

LEECH HOMES (NORTH WEST) LTD

LEECH HOMES (HUMBERSIDE) LTD

LEECH HOMES (WALES) LTD

LEECH HOMES (MIDLANDS) LTD

For 50 years Leech Homes have built value for money homes at prices ordinary folk could afford.

Today Leech are currently building on over seventy developments throughout the Country and the range of house styles now varies from the unique one person Uniflat which comes fully furnished to super-luxury five bedroom detached houses.

Prices range from around £12,000 to upwards of £80,000. It's a comprehensive range which satisfies everyone's taste, everyone's pocket.

And Leech have the capability to build homes to meet any individual requirements. One of the marks of real distinction design or construction is co-operation with specialised architects and engineers. However way-out, Leech Northumbria Limited can transform dream homes into reality.

Leech also work closely with local authorities in Joint Enterprise Schemes to re-develop inner-urban areas turning dead-loss land into bright, new, modern living environments - bringing people back to town where they can enjoy all the facilities that thriving town centres have to offer.

New Town Development Corporations have also enjoyed the benefit of Leech building expertise in creating the right lifestyle at the right price.

Leech territory now stretches into Scotland, Wales, the North West, North East, Yorkshire and Humberside, Midlands and the Home Counties. Each region is controlled by an independent on-the-spot subsidiary with local management. It's the best of both worlds: huge group buying power combined with local knowledge.

LEECH HOMES (NORTH WEST) LTD

Stockport Road, Cheadle Heath
Stockport, Cheshire SK3 0PE
Tel: Stockport (061) 429 7500

LEECH HOMES (HUMBERSIDE) LTD

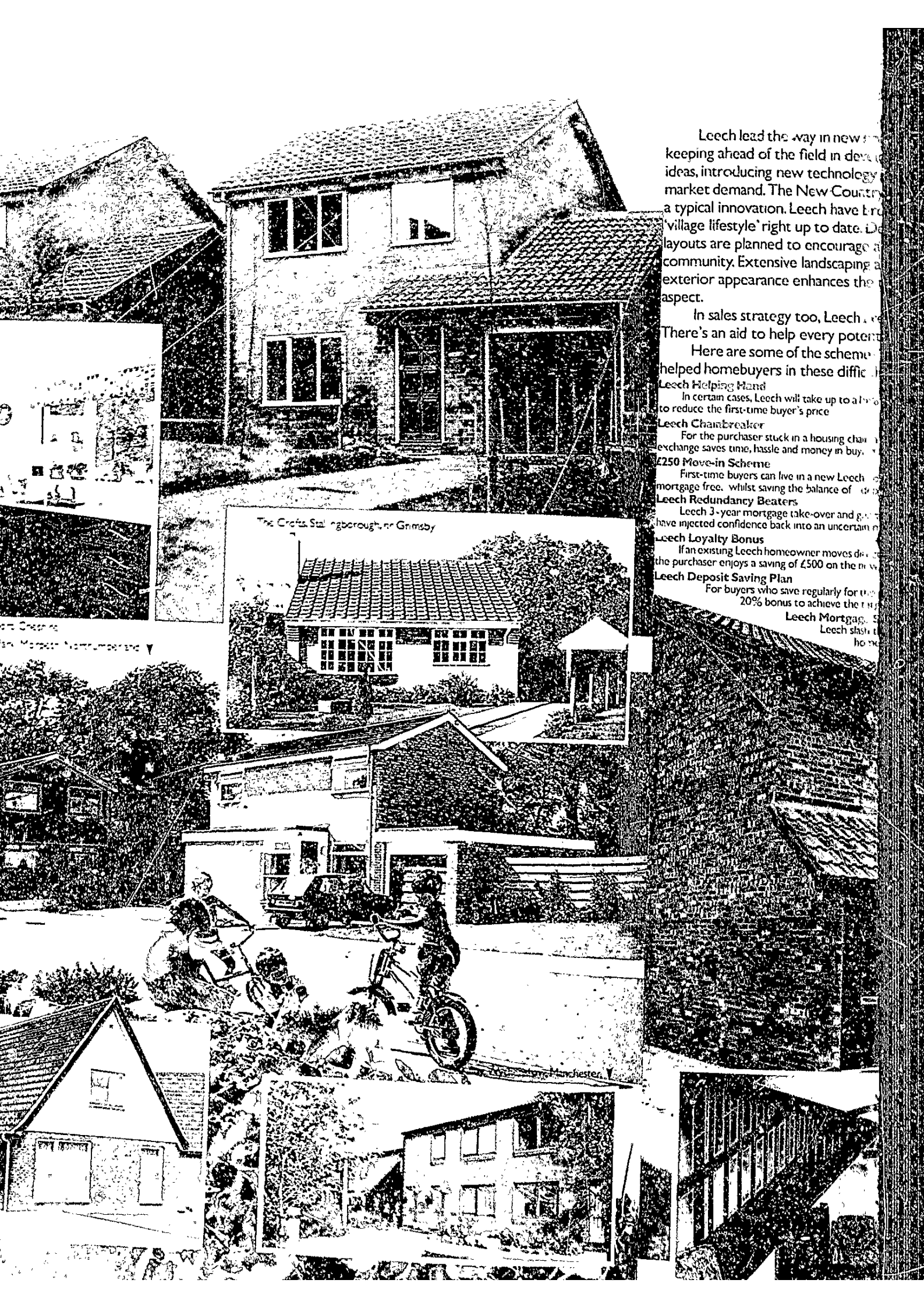
62-68 Sidney Street, Cleethorpes
South Humberside DN35 7NH
Tel: Grimsby (0472) 50901

LEECH HOMES (MIDLANDS) LTD

Rock House, Stockhill Lane
Bassford, Nottingham
Tel: Nottingham (0602) 70883

LEECH NORTHUMBRIA LTD

City House, City Road
Newcastle upon Tyne NE99 1PG
Tel: Newcastle (0632) 329954



Leech lead the way in new ideas, keeping ahead of the field in development ideas, introducing new technology to meet market demand. The New Country is a typical innovation. Leech have brought the 'village lifestyle' right up to date. The layouts are planned to encourage a sense of community. Extensive landscaping and exterior appearance enhances the overall aspect.

In sales strategy too, Leech have been successful. There's an aid to help every potential buyer.

Here are some of the schemes which have helped homebuyers in these difficult times.

Leech Helping Hand

In certain cases, Leech will take up to a third of the first-time buyer's price to reduce the first-time buyer's price.

Leech Chainbreaker

For the purchaser stuck in a housing chain, Leech's exchange saves time, hassle and money in buying.

£250 Move-in Scheme

First-time buyers can live in a new Leech house mortgage free, whilst saving the balance of the purchase price.

Leech Redundancy Beaters

Leech 3-year mortgage take-over and guarantee have injected confidence back into an uncertain market.

Leech Loyalty Bonus

If an existing Leech homeowner moves down the Leech chain, the purchaser enjoys a saving of £500 on the new purchase.

Leech Deposit Saving Plan

For buyers who save regularly for their deposit, Leech offers a 20% bonus to achieve the target.

Leech Mortgage Saver

Leech slashes the mortgage rate for its homeowners.

Leech lead the way in new housing concepts, keeping ahead of the field in developing new ideas, introducing new technology and meeting market demand. The New Country Style range is a typical innovation. Leech have brought the 'village lifestyle' right up to date. Development layouts are planned to encourage a real sense of community. Extensive landscaping and new rustic exterior appearance enhances the total rural aspect.

In sales strategy too, Leech are the leaders. There's an aid to help every potential buyer.

Here are some of the schemes which have helped homebuyers in these difficult times:

Leech Helping Hand

In certain cases, Leech will take up to a 15% share to reduce the first-time buyer's price.

Leech Chainbreaker

For the purchaser stuck in a housing chain a Leech part exchange saves time, hassle and money in buying a new home.

£250 Move-in Scheme

First-time buyers can live in a new Leech home, rent and mortgage free, whilst saving the balance of a deposit.

Leech Redundancy Beaters

Leech 3-year mortgage take-over and guaranteed buy-back schemes have injected confidence back into an uncertain market.

Leech Loyalty Bonus

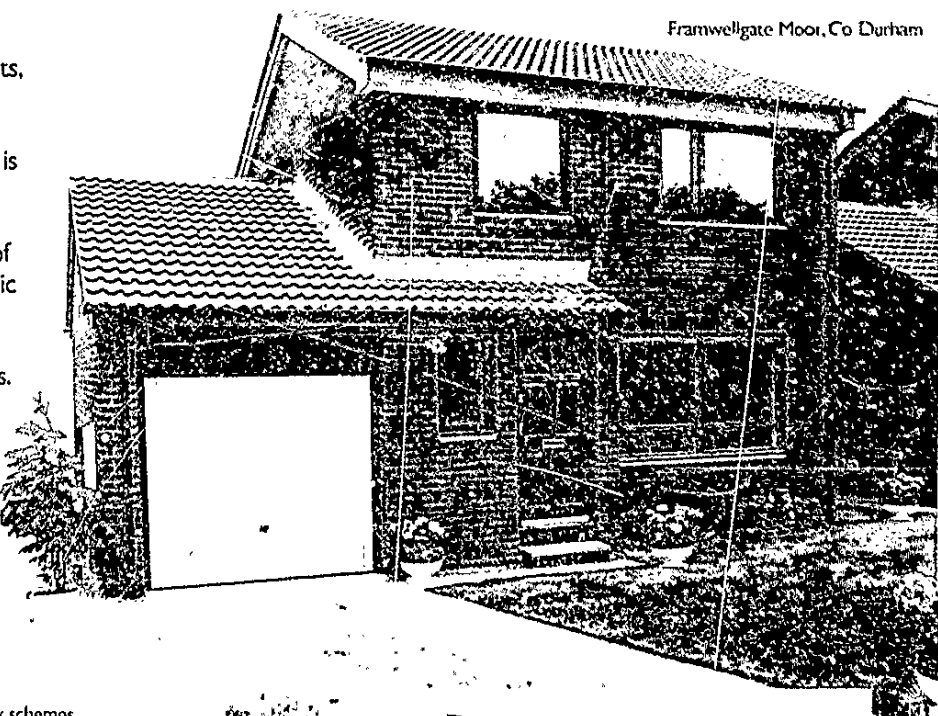
If an existing Leech homeowner moves directly into another Leech home, the purchaser enjoys a saving of £500 on the new home.

Leech Deposit Saving Plan

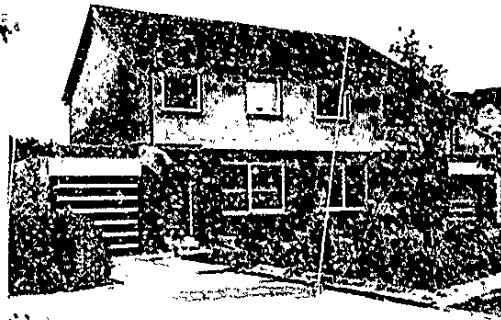
For buyers who save regularly for the deposit, Leech will add a big 20% bonus to achieve the target more quickly.

Leech Mortgage Subsidy

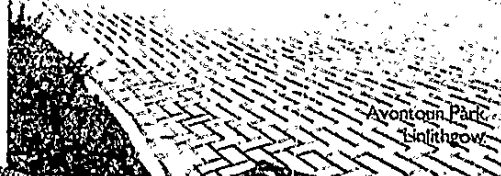
Leech slash the mortgage rate to reduce homebuyers re-payments.



Coniston Park, Winsford, Cheshire and interior
▼ (inset below).



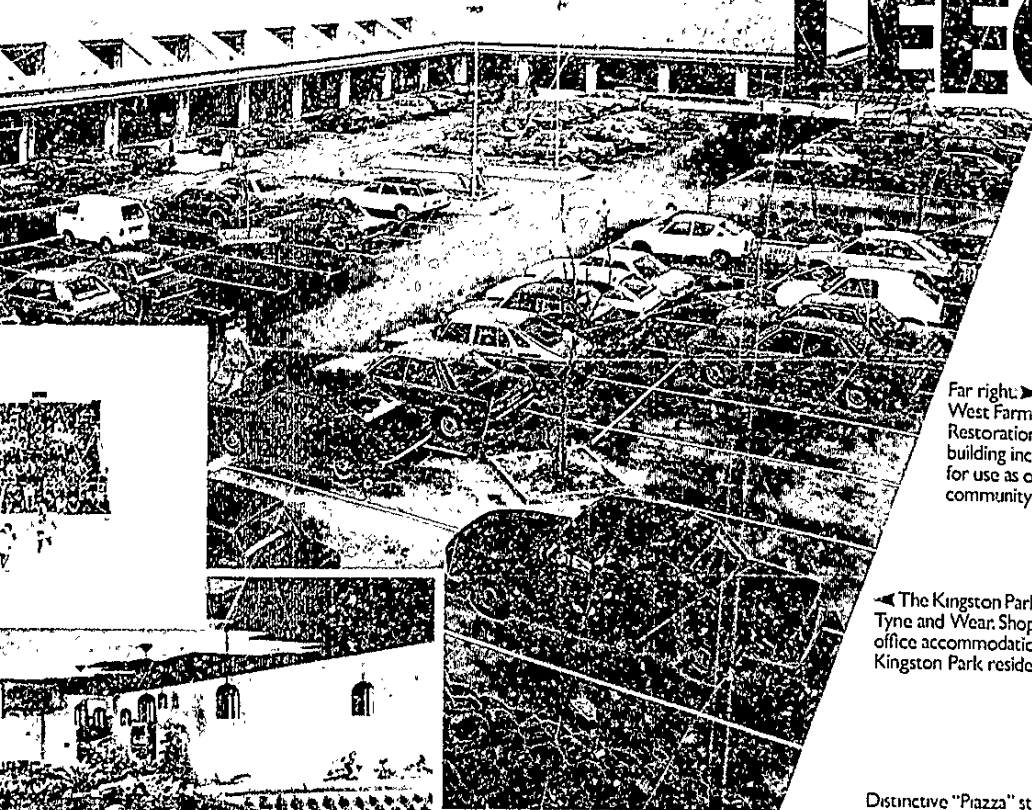
Avonlawn Park, Bingley, Wetherby



Dorset Showhome

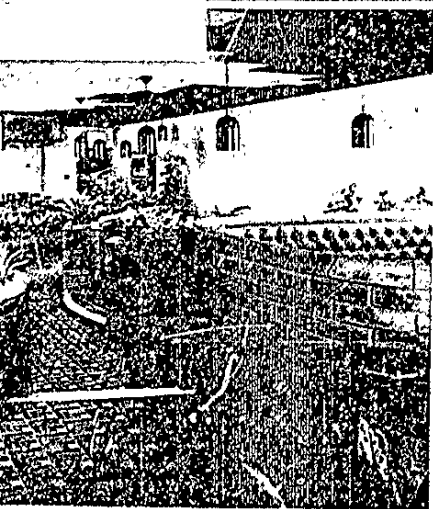


LEECHCONSTRUCTION



Far right: West Farm, Northumberland. Restoration of farm and out-building including a 'gin gan' for use as offices and community facilities.

◀ The Kingston Park Centre, Kenton Tyne and Wear. Shopping facilities and office accommodation servicing the Kingston Park residential area.



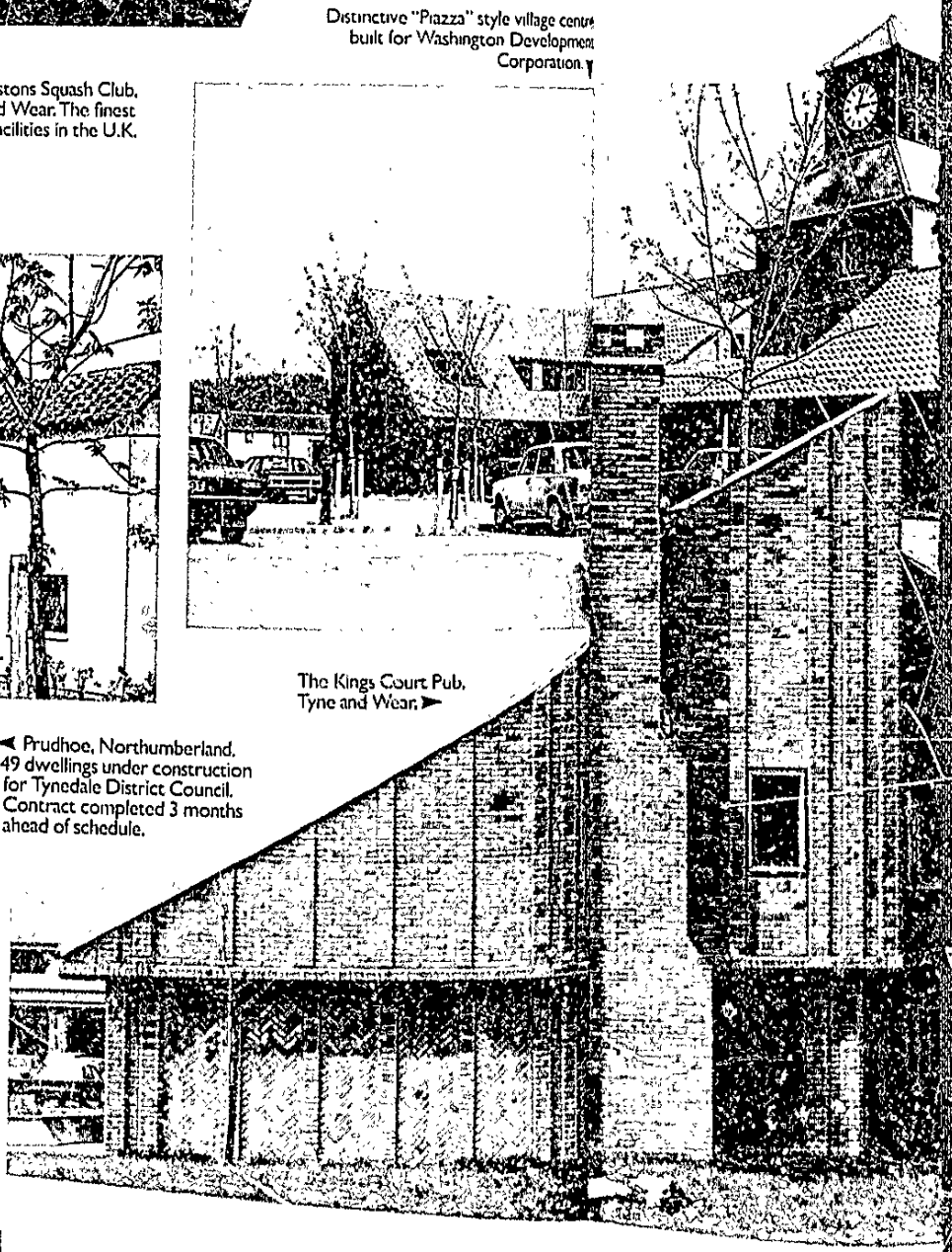
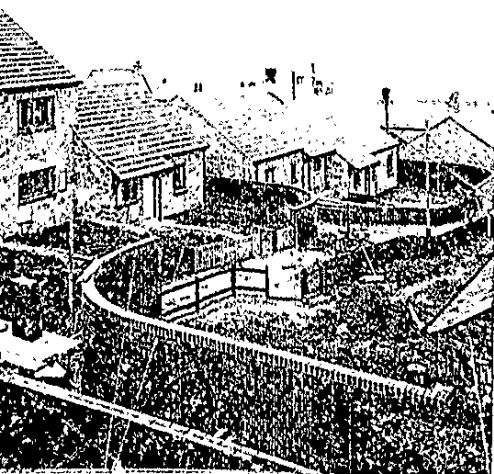
dwellings
Prudhoe.

◀ Kingstons Squash Club, Tyne and Wear. The finest squash facilities in the U.K.



The Kings Court Pub, Tyne and Wear.

◀ Prudhoe, Northumberland. 49 dwellings under construction for Tynedale District Council. Contract completed 3 months ahead of schedule.



Increasing volume and success. William Leech Limited brought about 50% concentration upon it... Leech Construction is an international organisation, with consequently significant factor in the Company's growth and negotiation.

Leech Construction can draw upon its experience, in the Municipal sector. Projects include leisure and sports centres, municipal buildings, council housing, schools, office blocks, public houses, buildings, refurbishment, extensions, car parks, steelwork and process plants.

The Company has a high design capability and has earned a reputation for control and on-time completion.

Leech Construction can approach any proposition. With confidence.

Distinctive "Piazza" style village centre built for Washington Development Corporation.



LEECH CONSTRUCTION

Increasing volume and success in the Contracts activities of William Leech Limited brought about the need for a special sector to concentrate upon it... Leech Construction.

Leech Construction is an integral arm of the Leech Organisation, with consequently strong materials buying power—a significant factor in the Company's record of successful tendering and negotiation.

Leech Construction can draw upon an extensive range of experience, in the Municipal sector, in Commerce and in Industry.

Projects include leisure and shopping centres, municipal buildings, council housing, squash courts, schools, office blocks, public houses, high security buildings, refurbishment, extensions, factories, garages, steelwork and process plant.

The Company has a high design and build capability and has earned a reputation for close control and on-time completion.

Leech Construction can approach any large scale proposition. With confidence. Without fail.



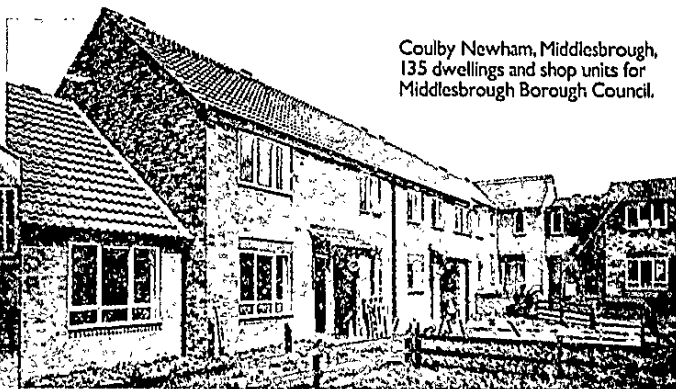
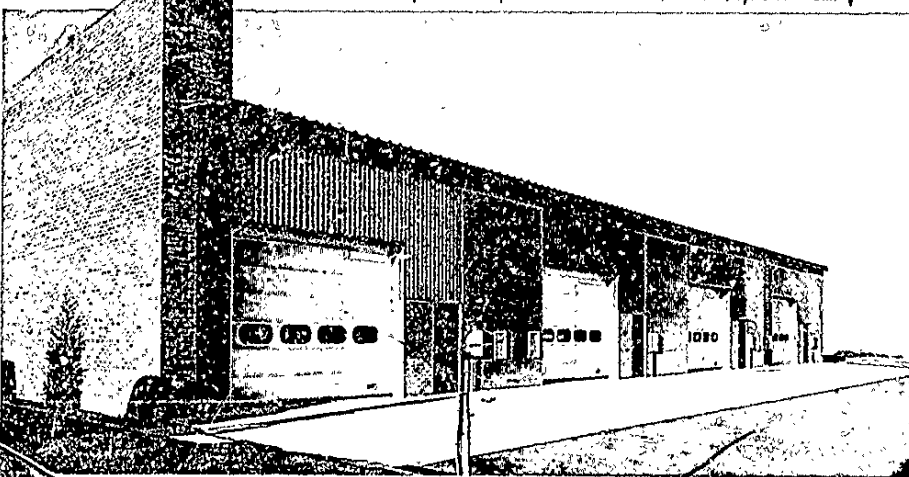
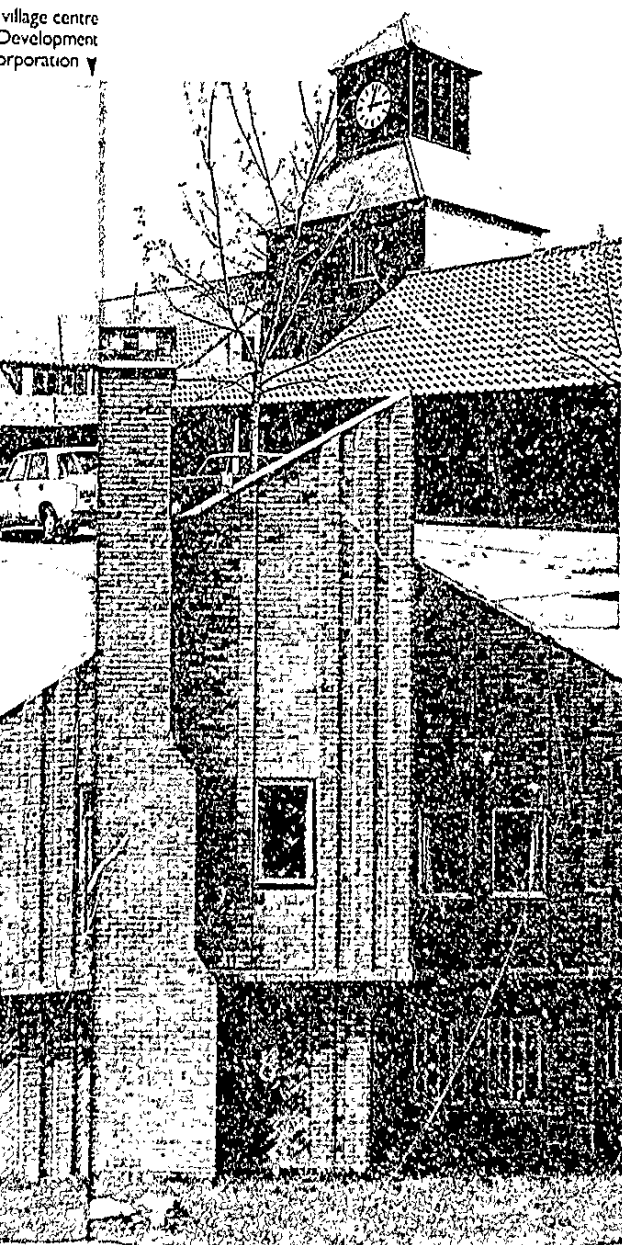
West Farm



▲ Block making factory built for Thomas Armstrong (Concrete) Ltd., Co. Durham.



Factory Units, Airport Industrial Estate, Kenton, Tyne & Wear. ▼



Coulby Newham, Middlesbrough, 135 dwellings and shop units for Middlesbrough Borough Council.

LEEC



Holiday Park, Pitlochry



Kingstons Squash was the venue for the 1981 World Masters Squash Tournament.

Diversification into the was marked in 1979 with the The Company has already operating two large holiday

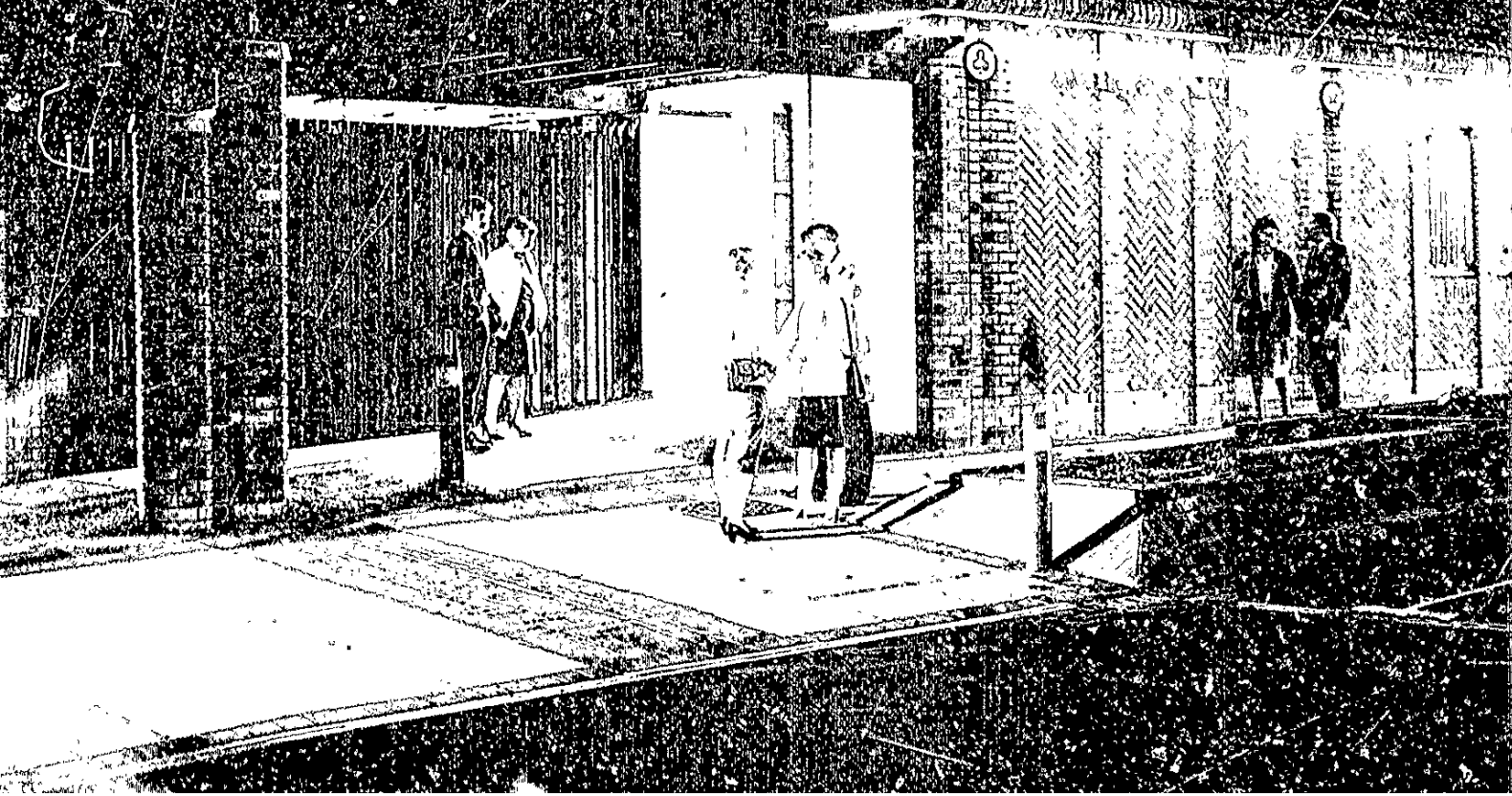
Cabaret time at the Octagon Suite.



King's good

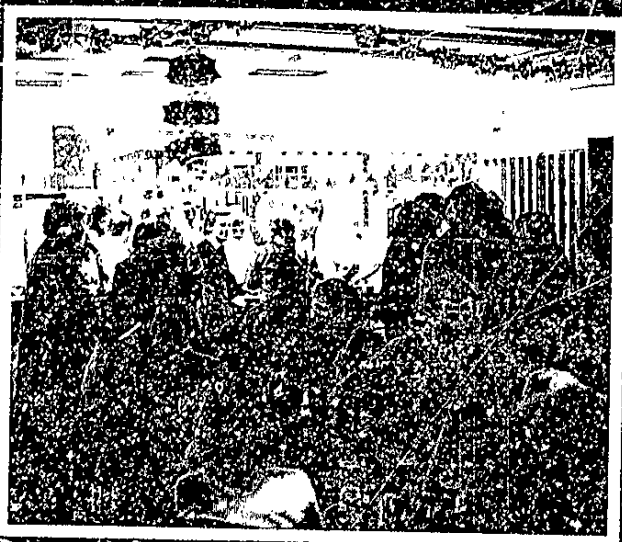


dining in the first-class Cleves Restaurant



LEECH LEISURE

Diversification into the rapidly expanding leisure industry was marked in 1979 with the formation of Leech Leisure Ltd. The Company has already developed and is successfully operating two large holiday home sites in Scotland.



Kings Court Pub. The lively local with good beer, good food, good cheer.

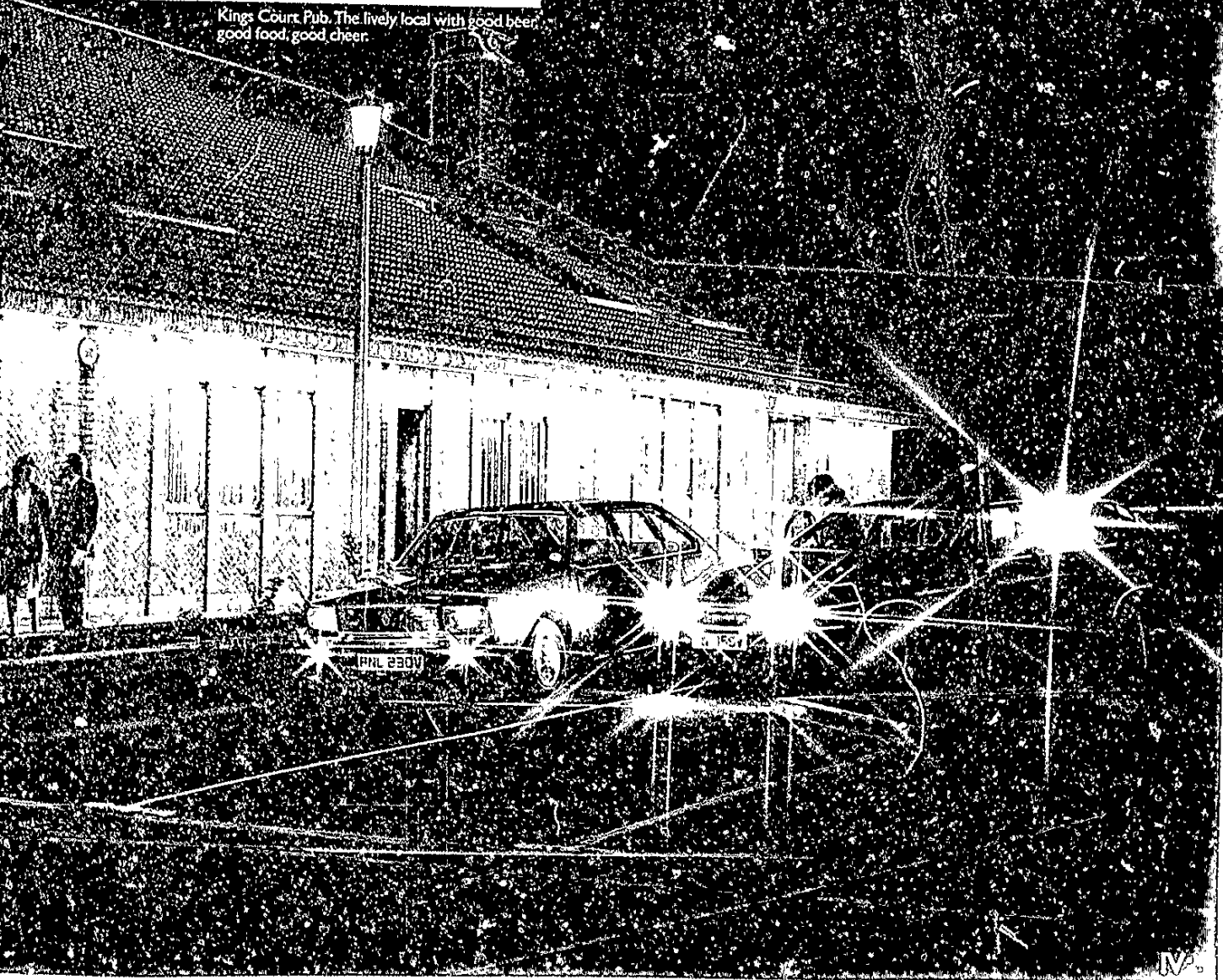
Sundrum Castle Holiday Park at Ayr consists of 100 letting units and 90 owner-occupied holiday homes. At Tummel Valley Holiday Park near Pitlochry the Company lets 15 super-luxury chalets and 75 holiday homes.

In 1981 the Company opened the first of its Leisure Centres—at Kenton, Newcastle upon Tyne.

Here at the Kingston Park Centre Leech Leisure operates a busy public house and first-class restaurant (with seating for some 55 diners).

Within the complex is probably the finest Squash Centre in the U.K. Facilities include nine courts—one of international standard with seating for 130 spectators. Coaching and 'Club' facilities are second to none.

In November Kingstons Squash established a world-wide reputation when it was chosen to stage the World Masters Tournament. This leading Tournament attracted the sixteen finest squash players in the world to compete. Later in the same month Kingstons was the venue for the British Under 23 Squash Championships.



LEECH PROPERTY

St. James Properties, a wholly owned subsidiary of William Leech, was formed in 1972 to carry out the Organisation's commercial developments.

These, in the early years, consisted typically of supermarkets and office-over-shop developments, on or adjacent to the Company's housing estates.

Today, St. James Properties has expanded its range of activity, functioning as a property developer in its own right; buying and

developing land and buildings, contracting out to a Construction company of its own choice.

Recent enterprises include completion and start of supermarket/shops/offices development in Morpeth, Northumberland, shopping, leisure and office complex in Tyne and Wear, 25,000 sq.ft. of offices in Middlesbrough, Britannic Assurance, and a 35,000 sq.ft. office building for the Department of Health and Social Security in Newcastle.

Under construction is a five-unit factory development in Glasgow, to be sold as a completed investment.

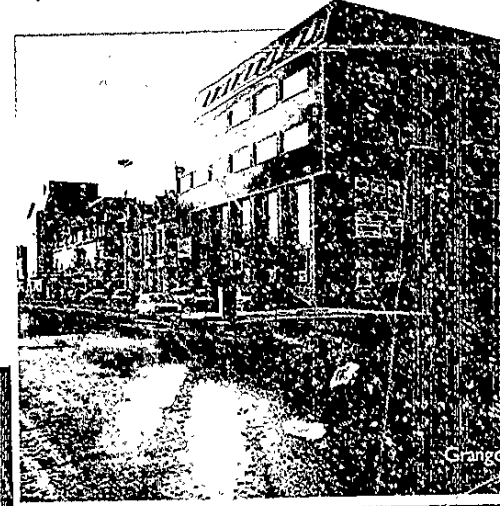
St. James Properties is a developer which is achieving a healthy development rate over a relatively short period.



Refurbishment and renovation of an existing Georgian terrace for prestige offices in Newcastle upon Tyne.



Morpeth Shopping Centre, Northumberland. Precinct comprising a supermarket, shops and offices.



Factory Units, Airport Industrial Estate, Kenton, Tyne & Wear.

St. James Street Office Block, Newcastle upon Tyne

LEECH THE LEADERS

From careful attention to detail in projecting a clear corporate identity through to 'hard sell' merchandising advertisements, Leech demonstrate the importance of communicating the right message in the right places.

Advertising that works, cost-effective sponsorship, lively P.R. It's the mix that gets Leech noticed.

It's the vital support required by a sales team that is wholly committed to the proposition, "Buy new, buy now, buy Leech."

In uncertain times Leech have been first to react in helping homebuyers. A comprehensive range of new homebuying aids has injected confidence into a difficult market.

Leech 'Country Style.' The latest concept in housing which takes its inspiration from the good old village life. Sunny memories. Friendliness. Today's technology. Nice places to live. They're all part of the new T.V. commercial (bottom of page) with words and music performed by international recording star Barbara Dickson.

LEECH PROMISE
If you thought that committing yourself to a new house these days might turn out to be a bad news, we've got good news for you.

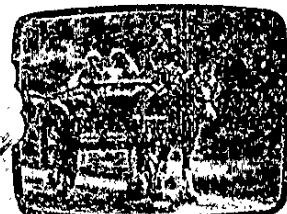
CountryStyle
It's a life for first-time buyers.

LEECH 15% Helping
A breath of fresh air comes to Yarm.

Leech slash the mortgage rate.
9 1/2%



LEECH LOYALTY BONUS
Buy Leech - and look forward to £500 off your NEXT Leech home!



LEECH HOMES

LEECH THE SALESMEN



1. B.B.C. Top D.J. Noel Edmonds dropped in by helicopter to open the new showhouse at Milton Keynes. Just one of Leech Homes (Midlands) Ltd. successful crowd-pullers.

2. Oliver Tobias star of "The Stud" and "Luke's Kingdom" was Leech Homes (North East) Ltd. star guest to open their Uniflat Exhibition. He caused quite a stir with the ladies...almost as much as the Uniflat did with the Georgies. During the 4 week exhibition period every Uniflat (single person, fully furnished flat) on every development was sold!

3. Scottish folk are turned on to Mike Ridd. The B.B.C. D.J. was a guest at Leech Homes (Scotland) Ltd. when he opened showhouses at Crookstone Park, Glasgow and Glenmavis, Lanarkshire.

4. England star rises to the occasion. Emlyn Hughes the idol of young footballers countrywide plays ball for Leech Homes (Midlands) Ltd. when he opened the new showhouse at Stone Croft Walk, Rotherham.

5. Richard Adamson, Chairman of Leech Homes Ltd, presents the winner trophy to London Scottish, champions of the Leech Northumberland Centenary Sevens Tournament staged at Northern Rugby Club, Northumberland.

6. And now for something completely different...These Leech (Midlands) Ltd. showhouses were designed on a triangular theme. Tables, chairs, wallpaper, even doors were threesided. Triad homes are at Milton Keynes.

7, 8 Leech Homes Ltd. sponsored the British Under 23 Squash Tournament at Kingstons Squash in November. The men's event was won by Christy Willstrop, the ladies' by Ruth Strauss.

9. Leech 'Joint Enterprise' goes on show at the Harrogate National Housing Exhibition. Leech met Local Authority personnel to talk about joint enterprise housing ventures.

10. The Roadshow goes gunning for sales. Leech Homes (North East) Ltd. put their sales force on the road. This year the sales team has visited British Army bases in Germany as well as other service bases and industrialists close to home.

11. Richard Adamson, Chairman Leech Homes Ltd. and Keith Charlton, Managing Director Leech Homes (North East) Ltd. talk to Housing Minister John Stanley during his visit to the Leech Uniflat Exhibition. Later, John Stanley spoke with Richard Adamson to an invited audience of local authority personnel on joint Enterprise housing schemes.

12. "Open that door!" Larry Grayson with Derek Walker, Managing Director of Leech Homes (Midlands) Ltd. is first to cross the threshold at Gunthorpe, Peterborough.

13. Stuart Hall makes friends with the locals. He was at Belgrano near Colwyn Bay to open the new show village. His verdict "It's a knock out!"

Country
Style

FLAT
EXHIBITION

THE LEECH UNIFLAT

FLAT
EXHIBITION

LEECH

LEECH
HOMES

BUILDING ON SUCCESS

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JOINT ENTERPRISE WITH LEECH-LOW COST HOUSING AT NO COST TO LOCAL

LEECH JOINT ENTERPRISE

LEECH
HOMES
BUILDING ON SITE

10

11

12

13



LEECH

Helping to build a better life.
For Britain.

Directors	J. R. Adamson, F.C.A., J.P. (Chairman) P. M. Milburn C. S. Beattie, C. Eng., M.I.C.E. T. G. W. Dinning J. Livingston, F.C.A.
Secretary and Registered Office	T. G. W. Dinning Kingsion House, Kingsion Park Centre, Kenton, Newcastle upon Tyne NE3 1BT
Registrar	Lloyds Bank Limited, Registrars Department, Goring-by-Sea, Worthing, West Sussex BN12 6DA
Bankers	Lloyds Bank Limited Barclays Bank Limited
Merchant Bankers	J. Henry Schroder Wagg & Co. Limited, London
Solicitors	Dickinson Dees, Newcastle upon Tyne
Stockbrokers	Rowe & Pitman, London Wise Speke & Co., Newcastle upon Tyne
Auditors	Price Waterhouse, Newcastle upon Tyne

Principal Operating Companies

Managing Directors

Leech Homes (Midlands) Limited

Rock House,
Stockhill Lane,
Basford,
Nottingham
NG6 0LJ

D. R. H. Walker, C.A.

Leech Homes (North East) Limited

City House,
1-3 City Road,
Newcastle upon Tyne
NE99 1PG

K. E. Charlton

Leech Homes (North West) Limited

Stockport Road,
Cheadle Heath,
Stockport
SK3 0PE

R. W. Robinson, B.Sc., C.Eng., M.I.Mun.E.

Leech Homes (Scotland) Limited

54 Graham's Road,
Falkirk,
Stirlingshire
FK1 1HW

J. M. Bryce

Leech Homes (Wales) Limited

Stockport Road,
Cheadle Heath,
Stockport
SK3 0PE

R. W. Robinson, B.Sc., C.Eng., M.I.Mun.E.

Leech Homes (Yorkshire) Limited

Rock House,
Stockhill Lane,
Basford,
Nottingham
NG6 0LJ

D. R. H. Walker, C.A.

Wilkinson & Houghton Limited

62-68 Sidney Street,
Cleethorpes,
South Humberside
DN35 7NH

R. A. Wilkinson

St. James Properties (Newcastle) Limited

Kingston House,
Kingston Park Centre,
Kenton,
Newcastle upon Tyne
NE3 1BT

Leech Leisure Limited

Kingston Park Centre,
Kenton,
Newcastle upon Tyne
NE3 1BT

R. M. Wilcock, M.A.

North East Joinery Company Limited

Cross Lane,
Wellington Road,
Dunston,
Gateshead,
Tyne & Wear
NE11 9HQ

In addition to the local directors there are parent company directors on the boards of all operating companies.

Notice of Meeting



Notice is hereby given that the forty-first Annual General Meeting of the company will be held at the Octagon Suite, Kingston Park Centre, Kenton, Newcastle upon Tyne, on Tuesday, 23rd February, 1982, at 12 noon for the following purposes:

Resolution

- 1 To receive and adopt the directors' report and audited accounts of the company for the year ended 31st August, 1981.
- 2 To declare a dividend.
- 3 To re-elect Mr. T. G. W. Dinning as a director who retires at the first annual general meeting following his appointment.
- 4 To re-elect Mr. W. R. O. Griffiths as a director who retires at the first annual general meeting following his appointment.
- 5 To appoint Price Waterhouse as auditors of the company.
- 6 To authorise the directors to fix the remuneration of the auditors.

By order of the board,
T. G. W. Dinning,
Secretary

Kingston House,
Kingston Park Centre,
Kenton,
Newcastle upon Tyne
NE3 1BT

16th December, 1981

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and a proxy need not also be a member.

The following documents will be available at the registered office of the company during normal business hours from the date of this notice until the date of the Annual General Meeting:

- 1 A statement of transactions of directors (and of their family interests) in the share capital of the company for the year.
- 2 Copies of the directors' service contracts

These documents will also be available for inspection for at least fifteen minutes before the meeting and during the meeting.

Mrman's Statement

Results

As foreshadowed in my statement last year, it has not been an easy year for the housebuilding industry. Although for a short time demand did improve, it was not sufficient for any dramatic improvement in your company's profits. However, having said that, the position has improved somewhat and profits before tax for the second six months of £2,034,000 against a loss for the first six months of £156,000 must be looked on with some satisfaction. The profit for the year is £1,878,000 against £2,070,000 for the same period last year on turnover slightly up from £50,075,000 to £50,286,000.

The contracting division has performed well, producing profits of £174,000 whilst net rental income of £663,000 and dealing profits of £838,000 before finance charges must be more than satisfactory. On the leisure front, things have been disappointing and this activity incurred a loss.

Current Situation

The increased demand for new houses from January to May was not maintained as the continued effect of high interest rates started to erode the confidence of new home buyers. Even though at one stage in the year some of our sites were operating a three day week, the company, through a good product range mainly in the first time buyer market, a first class advertising campaign and offering unique incentives to clients, has been able to reverse the trends of the first six months. We have been and are involved with several Local Authorities throughout the country under various schemes, to promote low cost home ownership in inner urban areas. These schemes have several distinct advantages: flexibility on land acquisition, preferential treatment to Local Authority waiting lists, no chains of purchasers as clients are usually first time buyers, flexibility on design, high density and close association to all the relevant infrastructure and amenities of the Town Centre.

The housebuilding industry is still working substantially below capacity; however, this should give it an edge when the upturn does come. There is still the need factor to satisfy and whilst this may be less than the potential latent market, it is nevertheless there and it is our intention to attract a greater percentage of the available market to own a Leach Home.

Having said that, it is not going to be easy, but your company is confident that because it has adequate land holding and management expertise it will be able to buck the general trend.

You will note from the Balance Sheet on Page 10 that the determined effort of your board to reduce borrowings has had some effect in the year.

In the year under review investment properties were sold, producing a surplus of £838,000. Your board has decided that it cannot continue to tie up a large proportion of the group resources in creating property rentals. Thus, with minor exceptions, from now on all property development will be for onward sale, preferably let and sold before it is completed.

Future

Manage



Future Prospects

This year of 1982 is an important one in the history of the Leech Organisation marking our 50th anniversary.

What of the future? I have already mentioned the unsatisfied need factor in the housing market.

I see man's continued need for housing as a challenge of providing the right product in the right place at the right time with a tailor-made financial package for each purchaser. This is your company's policy and it is right. As you can see from the Accounts, Leech Construction has recovered from the trading difficulties which had beset it and, whilst currently contracting work is at a premium due mainly to government cutbacks, we have on hand sufficient work to trade profitably in 1982.

I have already mentioned the group's future policy on property development; suffice it to say that we are now in the planning stages of developments, the profit from which should accrue in the year to August, 1983.

So far as Leech Leisure is concerned, the board is reviewing its commitment to its leisure activities.

Management

My thanks go to my colleagues for their help over the past twelve months. Their hard work and determination to succeed has been the vital factor in turning the half year loss into the profits reported in these accounts.

I am pleased to report that the secretary of the company, Mr. T. G. W. Dinning, was appointed to the board on 25th March, 1981.

I am glad to announce that following his retirement as Regional Director and General Manager of Lloyds Bank's Northern Region, your board has invited Mr. W. R. O. Griffiths to become a non-executive director as from 1st February, 1982, and he has accepted.

On 25th June, 1981, Dr. W. C. Leech and Mr. J. Adamson resigned from the board after many years service to the company. They remain president and vice-president respectively.

J. R. ADAMSON,
Chairman.

16th December, 1981.

Directors' Report

The directors have pleasure in submitting their report and the audited consolidated accounts for the year ended 31st August, 1981.

Principal Activities

The group's principal activities are house-building and development, contracting, property investment and management of leisure related operations.

Results

The results for the year ended 31st August, 1981, are set out in the annexed profit and loss account.

Turnover and Profit

	Turnover £'000	Profit before tax £'000
House-building and development	41,080	1,735
Contracting	8,150	174
Property investment and leisure operations	1,056	(31)

Directors

The directors of the company during the year and their interests in the shares of the company were as follows:

		31st August, 1981	31st August, 1980
W. C. Leech	— Beneficial	* 120	120
J. Adamson	— Beneficial	* 120,000	120,000
	— As Trustee	* 792,000	792,000
J. R. Adamson	— Beneficial	247,127	247,127
P. M. Milburn	— Beneficial	10,000	10,000
C. S. Beattie	— Beneficial	1,500	1,500
T. G. W. Dinning	— Beneficial	1,250	† 1,250
J. Livingston	— Beneficial	1,250	1,250

* Shares held at date retired as director, 25th June, 1981.

† Shares held at date appointed director, 25th March, 1981.

In addition 300,000 shares have been settled on trust for a class of beneficiaries which includes Mr. J. R. Adamson and his infant children.

No notification has been received of any change in the above interests during the period from 31st August, 1981, to the date of this report.

During the year Mr. J. R. Adamson has entered into arrangements with certain group companies on normal contract terms to acquire land under a 99 year lease at an annual rental of £2,000 and for building work to be carried out thereon at an approximate cost of £200,000. With this exception, none of the directors had a beneficial interest in any contract to which the company or a subsidiary was a party during the year.



Dividends

The directors recommend the payment of a final dividend of 3.3p per share. This together with the interim dividend of 3.3p per share will make a total for the year of 6.6p per share which after taking into account the imputed tax credits will amount to 9.43p per share.

The dividends paid and proposed amount to £990,000 and the balance of retained profit of £75,000 is carried forward to reserves.

If approved by the shareholders the final dividend will be paid on 26th February, 1982, to shareholders on the register at the close of business on 23rd December, 1981.

Close Company Status

The directors are of the opinion that the company is not a close company as defined in the Income and Corporation Taxes Act 1970.

Substantial Shareholdings

The register of members at 11th December, 1981, showed the following substantial shareholder:

	Number of shares	%
The William Leech Foundation Limited	4,456,000	29.7

No notification has been received of any other shareholding of more than 5% of the issued share capital.

Properties

The directors are of the opinion that the value of the investment, development and operating properties of the group substantially exceeds book amount.

Current Cost Accounts

In order to comply with the requirements of Statement of Standard Accounting Practice No. 16 current cost accounts have been prepared which show a current cost profit before taxation of £928,000 compared with £1,878,000 on the historical cost basis.

Exports

There were no exports by the group during the year.

Employees

The average number of employees in the year was 1,581 and their remuneration was £8,593,000.

**Charitable and
Political Donations**

Charitable donations of £738 and donations of £250 to The Northern Industrialists Protection Association were made during the year.

Auditors

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By order of the Board,

T. G. W. Dinning,
Secretary

16th December, 1981.

Auditors' report to the members of William Leech Limited

We have audited the financial statements on pages 9 to 24 in accordance with approved Auditing Standards.

In our opinion:

the financial statements on pages 9 to 20 which have been prepared under the historical cost convention, give under that convention a true and fair view of the state of affairs of the company and the group at 31st August, 1981, and the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981, and the supplementary current cost statements on pages 21 to 24 have been properly prepared, in accordance with the policies and methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.

Price Waterhouse,
Chartered Accountants,
Newcastle upon Tyne.

16th December, 1981.



**Consolidated profit and loss account
for the year ended 31st August, 1981
(1980 – eighteen months ended 31st August, 1980)**

	Note	1981 £'000	1980 eighteen months £'000
Turnover	1	<u>50,286</u>	<u>69,787</u>
Operating Profit	2	5,542	7,422
Finance charges	3	<u>3,767</u>	<u>3,941</u>
		1,775	3,481
Share of profits of associated companies		<u>103</u>	<u>70</u>
Profit before taxation		1,878	3,551
Taxation	4	<u>813</u>	<u>782</u>
Profit after taxation	5	1,065	2,769
Dividends	6		
First Interim		495	495
Second Interim		—	495
Proposed Final		495	495
		<u>990</u>	<u>1,485</u>
Retained profit		<u>75</u>	<u>1,284</u>
Earnings per share	7	7.1p	18.46p

William Leech Limited and Subsidiary Companies

Consolidated balance sheet - 31st August, 1981.

		31st August 1981		31st August 1980	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Investment properties	8		4,951		3,563
Other fixed assets	9		5,024		3,936
Interest in associated companies	11		2,931		2,996
Current assets					
Land for development		12,425		13,672	
Work in progress	12	22,210		25,148	
Debtors		6,703		3,363	
Cash and short term deposits		26		175	
		<u>41,364</u>		<u>42,358</u>	
Current liabilities					
Creditors		14,455		10,574	
Taxation		1,491		879	
Bank overdrafts	13	6,631		11,355	
Dividend		495		495	
		<u>23,072</u>		<u>23,303</u>	
Net current assets			18,292		19,055
			<u>31,198</u>		<u>29,550</u>
Representing:					
Share capital	14		3,000		3,000
Reserves	15		15,796		15,721
			<u>18,796</u>		<u>18,721</u>
Unsecured loan stock 1979/81	16		—		200
Secured loans	17		12,402		10,629
			<u>31,198</u>		<u>29,550</u>

J. R. Adamson
P. M. Milburn

Directors

J. R. Adamson
P. M. Milburn



Balance sheet — 31st August, 1981

		31st August 1981		31st August 1980	
	Note	£'000	£'000	£'000	£'000
Fixed assets	9		213		55
Interest in subsidiary companies	10		23,938		21,391
Interest in associated companies	11		269		320
Current assets					
Debtors		71		76	
Cash and short term deposits		2		—	
		<u>73</u>		<u>76</u>	
Current liabilities					
Creditors		328		216	
Taxation		848		636	
Bank overdrafts	13	1,8		1,343	
Dividend		495		495	
		<u>3,541</u>		<u>2,690</u>	
Net current liabilities			(3,468)		(2,614)
			<u>20,952</u>		<u>19,152</u>
Representing:					
Share capital	14		3,000		3,000
Reserves	15		7,952		7,952
			<u>10,952</u>		<u>10,952</u>
Unsecured loan stock 1979/81	16		—		200
Secured loans	17		10,000		8,000
			<u>20,952</u>		<u>19,152</u>

J. R. Adamson
P. M. Milburn

Directors

J. R. Adamson
P. M. Milburn

William Leech Limited and Subsidiary Companies

**Statement of source and application of funds for the year ended 31st August, 1981
(1980 – eighteen months ended 31st August, 1980)**

	1981		1980	
	£'000	£'000	£'000	£'000
Source of funds				
Profit before taxation		1,878		3,551
Adjustment for items not involving the movement of funds:				
Depreciation		290		361
Profits of associated companies		(103)		(70)
Total generated from operations		<u>2,065</u>		<u>3,842</u>
Funds from other sources				
Loans		2,000		9,858
		<u>4,065</u>		<u>13,700</u>
Application of funds				
Dividends paid		990		1,536
Tax paid		167		633
Purchases less sales:				
Investment properties		1,371		1,258
Other fixed assets		1,395		2,608
Repayment of loans		<u>227</u>		<u>815</u>
		4,150		6,850
Increase/(decrease) in working capital				
Land for development	(1,247)		3,902	
Work in progress	(2,938)		9,277	
Debtors (including amounts owing by associated companies)	3,206		58	
Creditors	<u>(3,681)</u>		<u>(4,436)</u>	
		(4,660)		8,801
		<u>(510)</u>		<u>15,651</u>
(Increase)/decrease in net liquid funds		<u><u>(4,575)</u></u>		<u><u>1,951</u></u>



Notes to the accounts

1. Accounting policies

The significant policies adopted in the preparation of the accounts are as follows.

(i) **Basis of consolidation**

The consolidated accounts have been prepared under the historical cost convention and include the audited accounts of the company and its subsidiaries made up to 31st August, 1981.

(ii) **Turnover**

Group turnover principally represents sales of houses legally completed in the year and the sales value of completed contracts.

(iii) **Profit-taking**

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

(iv) **Finance charges**

Tax relief is claimed on all finance charges paid. The amount charged against profits excludes interest attributed to investment properties and operating properties in the course of development.

(v) **Investment properties**

Investment properties are stated at cost including attributable interest. Properties under development are reclassified as completed investment properties when they have been completed and substantially sold. No depreciation is provided on these assets.

(vi) **Other fixed assets**

Operating properties are stated at cost including attributable interest less depreciation. Operating properties under development are reclassified as completed properties when they are brought into use. Plant is stated at cost less depreciation except for loose tools, scaffolding and site offices which are revalued at the balance sheet date by officials of the group. Depreciation is provided at rates calculated to write off the cost of fixed assets on the straight line method over their estimated useful lives. The rates in use are as follows:

Freehold land	: Nil
Freehold buildings	: 2% per annum
Leasehold land and buildings	: Over the term of the lease
Plant	: At rates varying between 10% and 20% per annum.

(vii) **Interest in associated companies**

The group's share of the results of the associated companies is included in the consolidated accounts.

(viii) **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 administration overheads.

(ix) **Deferred taxation**

The group makes provision on the liability basis if the deferred taxation liability on accelerated capital allowances and other timing differences is likely to become payable in the foreseeable future.

Notes to the accounts continued

2. Operating profit	1981	1980 eighteen months
	£'000	£'000
The group operating profit is stated after crediting:		
Rent receivable less outgoings	663	471
Profit on sale of investment properties	838	705
and after charging:		
Depreciation	290	361
Hire of plant and machinery	777	1,755
Directors' emoluments (Note 21)		
Executive remuneration	186	227
Pensions	10	12
Auditors' remuneration	42	38
3. Finance charges		
Interest payable on bank loans and overdrafts	3,986	4,384
Less: Interest receivable	(59)	(133)
Interest attributable to properties in the course of development		
	(160)	(310)
	<u>3,767</u>	<u>3,941</u>
4. Taxation		
Advance corporation tax on dividends for the year not yet offset against corporation tax liability		
	424	636
Development land tax	355	116
Adjustment in respect of prior years	—	(7)
Share of associated companies' taxation	34	37
	<u>813</u>	<u>782</u>
5. Profit after taxation		
The profit for the year has been accounted for as follows:		
Dealt with in accounts of holding company	990	1,485
Retained by subsidiary companies	6	1,251
Retained by associated companies	69	32
	<u>1,065</u>	<u>2,769</u>

The corporation tax charge on the profit for the year has been extinguished by taxation losses brought forward and by stock relief for the year.



Notes to the accounts continued

6. Dividends

	1981 £'000	1980 £'000
First interim paid 20th July, 1981, of 3.3p per share (1980 3.3p per share)	495	495
Second interim (1980 3.3p per share)	—	495
Proposed final of 3.3p per share (1980 3.3p per share)	495	495
	<u>990</u>	<u>1,485</u>

7. Earnings per share

The earnings per share for the year ended 31st August, 1981, have been calculated on the profit after taxation of £1,065,000 (1980 – eighteen months – £2,769,000) and on 15,000,000 ordinary shares of 20p each being the total number of shares in issue throughout the year.

8. Investment properties

	Completed £'000	Under Development £'000	Total £'000
Cost at 1st September, 1980			
Freehold	1,052	278	1,330
Long leasehold	949	1,284	2,233
	<u>2,001</u>	<u>1,562</u>	<u>3,563</u>
Additions			
Freehold	126	1,652	1,778
Long leasehold	—	452	452
	<u>126</u>	<u>2,104</u>	<u>2,230</u>
Disposals			
Freehold	(64)	(51)	(115)
Long leasehold	(744)	—	(744)
	<u>(808)</u>	<u>(51)</u>	<u>(859)</u>
Reclassification			
Freehold	65	—	65
Long leasehold	1,688	(1,736)	(48)
	<u>1,753</u>	<u>(1,736)</u>	<u>17</u>
Cost at 31st August, 1981			
Freehold	1,179	1,879	3,058
Long leasehold	1,893	—	1,893
	<u>3,072</u>	<u>1,879</u>	<u>4,951</u>

William Leech Limited and Subsidiary Companies

Notes to the accounts continued

9. Other fixed assets

	Operating Properties				Plant £'000	Total £'000
	Freehold £'000	Completed		Under Development		
		Short Leasehold £'000	Long Leasehold £'000	Long Leasehold £'000		
The Group						
Cost or valuation						
At 1st September, 1980	1,898	151	77	401	2,435	4,962
Additions	144	158	—	990	243	1,535
Disposals	—	—	(77)	—	(289)	(366)
Reclassification	—	(17)	455	(455)	—	(17)
At 31st August, 1981	2,042	292	455	936	2,389	6,114
Accumulated depreciation	83	43	13	—	951	1,090
Net book amount at 31st August, 1981	1,959	249	442	936	1,438	5,024
Net book amount at 31st August, 1980	1,860	114	77	401	1,484	3,936
The Company						
Cost or valuation						
At 1st September, 1980	—	—	—	—	101	101
Additions	—	156	—	—	18	174
Disposals	—	—	—	—	(23)	(23)
Transfer from subsidiary	—	—	—	—	16	16
At 31st August, 1981	—	156	—	—	112	268
Accumulated depreciation	—	—	—	—	55	55
Net book amount at 31st August, 1981	—	156	—	—	57	213
Net book amount at 31st August, 1980	—	—	—	—	55	55

Loose tools, scaffolding and site offices were valued at the balance sheet date at £801 000 (1980 £844,000) for the group and nil (1980 nil) for the company (Note 1 (vi)).

William Leech Limited and Subsidiary Companies



Notes to the accounts continued

10. Interest in subsidiary companies

	1981 £'000	1980 £'000
Shares at cost	1,467	1,467
Amounts owing by subsidiary companies		
Deferred loans	5,175	5,125
Current account balances	17,421	14,818
	<u>24,063</u>	<u>21,410</u>
Less: Amounts owing to subsidiary companies		
Current account balances	125	19
	<u>23,938</u>	<u>21,391</u>

The principal subsidiary companies are set out on Page 2.

All the companies are wholly owned and, with the exception of Leech Homes (Scotland) Limited which is incorporated in Scotland, are incorporated in England.

All the subsidiary companies operate in Great Britain.

11. Interest in associated companies

	The Group		The Company	
	1981 £'000	1980 £'000	1981 £'000	1980 £'000
Shares at cost				
Cramlington Investments Limited	127	127	127	127
Cramlington Developments Limited	5	5	5	5
Leebell Investments Limited	5	5	5	5
Leech Homes (Showhouses) Limited	1	—	1	—
	<u>138</u>	<u>137</u>	<u>138</u>	<u>137</u>
Amounts owing by associated companies on current account	10	145	131	183
	<u>148</u>	<u>282</u>	<u>269</u>	<u>320</u>
Share of accumulated profit/(losses)	56	(13)	—	—
Share of surplus on valuation	2,727	2,727	—	—
	<u>2,931</u>	<u>2,996</u>	<u>269</u>	<u>320</u>

All the associated companies are 50% owned and incorporated in England.

The completed shopping centre developments of Cramlington Investments Limited were valued on 29th February, 1980, at £7,591,000 and the group's share of the surplus before taxation arising from the valuation was credited to the group's reserves.

William Leech Limited and Subsidiary Companies

Notes to the accounts continued

12. Work in progress

	1981 £'000	1980 £'000
Work in Progress	26,704	32,806
Less: Amounts received and receivable on account of work in progress	(4,494)	(7,658)
	<u>22,210</u>	<u>25,148</u>

13. Bank overdrafts

At 31st August, 1981, secured bank overdrafts of the group and of the company amounted to £6,229,000 and £1,357,000 respectively (31st August, 1980 £11,018,000 and £1,343,000 respectively).

14. Share Capital

	1981 £'000	1980 £'000
Authorised		
20,000,000 ordinary shares of 20p each	4,000	4,000
Issued		
15,000,000 ordinary shares of 20p each	<u>3,000</u>	<u>3,000</u>

15. Reserves

	The Group		The Company	
	1981 £'000	1980 £'000	1981 £'000	1980 £'000
Revenue reserves brought forward	11,571	10,287	6,529	6,529
Retained profit for the period	<u>75</u>	<u>1,284</u>	<u>—</u>	<u>—</u>
Revenue reserves carried forward	11,646	11,571	6,529	6,529
Share premium account	1,423	1,423	1,423	1,423
Share of surplus on valuation arising in associated company (Note 11)	<u>2,727</u>	<u>2,727</u>	<u>—</u>	<u>—</u>
	<u>15,796</u>	<u>15,721</u>	<u>7,952</u>	<u>7,952</u>

16. Unsecured loan stock 1979/81

The unsecured loan stock 1979/81 was repaid during the year.



Notes to the accounts continued

17. Loans

	The Group		The Company	
	1981 £'000	1980 £'000	1981 £'000	1980 £'000
Secured bank loans	12,150	10,250	10,000	8,000
Secured interest free loan	140	261	—	—
Unsecured loan at 5% interest per annum	112	118	—	—
	<u>12,402</u>	<u>10,629</u>	<u>10,000</u>	<u>8,000</u>
Comprising:				
Repayable within 1-2 years	116	237	—	—
Repayable within 2-5 years	4,573	2,723	3,600	2,000
Repayable after 5 years	7,713	7,669	6,400	6,000
	<u>12,402</u>	<u>10,629</u>	<u>10,000</u>	<u>8,000</u>

18. Deferred taxation

The potential liability for deferred taxation not provided in the accounts, since the liability is unlikely to become payable in the foreseeable future, is as follows:

	The Group		The Company	
	1981 £'000	1980 £'000	1981 £'000	1980 £'000
Taxation deferred in respect of stock appreciation relief	—	13,543	—	—
Taxation deferred in respect of (i) capital allowances	679	633	38	—
(ii) adjustments for other timing differences including unabsorbed tax losses	(430)	(6,778)	187	(5)
	<u>249</u>	<u>7,398</u>	<u>225</u>	<u>(5)</u>
Advance corporation tax available for relief against future corporation tax liabilities.	<u>(2,306)</u>	<u>(1,882)</u>	<u>(2,306)</u>	<u>(1,882)</u>

Following the provisions of the Finance Act 1981 the tax deferred by stock relief has been treated as permanent. There are tax losses carried forward in group companies and available to be set against future taxable profits amounting to £14,594,000 (1980 £14,151,000) and to the extent of £925,000 (1980 £12,966,000) have been taken into account in arriving at the potential deferred taxation noted above.

William Leech Limited and Subsidiary Companies

Notes to the accounts continued

19. Capital commitments

	The Group		The Company	
	1981 £'000	1980 £'000	1981 £'000	1980 £'000
Authorised and contracted	620	2,721	—	—
Authorised and not contracted	2	100	—	—
	<u>622</u>	<u>2,821</u>	<u>—</u>	<u>—</u>

20. Contingent liabilities

The company is liable jointly and severally with other members of the group under a guarantee given to the group's bankers in respect of all overdrawn balances of group companies and of loans of £2,639,000 (1980 £2,905,000) to subsidiaries. In addition the group has guaranteed the overdraft of an associated company to a maximum of £500,000 (1980 £500,000). This is secured by a charge on group assets. The company has also guaranteed loans of £200,000 (1980 £200,000) to another associated company.

21. Directors and employees emoluments

Emoluments of directors excluding pension contributions were:

	12 months to 31st August, 1981	18 months to 31st August, 1980
Chairman and highest paid director	46,072	59,786
Other directors		
£5,001 – £10,000	1	—
£10,001 – £15,000	2	—
£15,001 – £20,000	1	3
£20,001 – £25,000	1	—
£25,001 – £30,000	—	2
£30,001 – £35,000	1	—
£40,001 – £45,000	—	1
Emoluments of senior employees whose emoluments were in excess of £20,000 (excluding pension contributions) were as follows:		
£20,001 – £25,000	2	—
£30,001 – £35,000	—	1

Approval of financial statements

The financial statements were approved by the board of directors on 16th December, 1981.



Current Cost Accounts

Accounting policies

1. Basis of accounting

The company has prepared its first supplementary current cost statements in accordance with Statement of Standard Accounting Practice No. 16 and with the historical cost accounting policies as modified in the manner described below.

2. Cost of sales

The adjustment has been calculated by using indices generated from the house-building industry indices for materials and labour. Work in progress is included in the balance sheet at replacement cost.

3. Depreciation

The depreciation adjustment represents the difference between depreciation based on the current and historical cost of fixed assets and includes an adjustment in respect of assets disposed of during the year.

4. Monetary working capital adjustment

Monetary working capital comprises trade debtors, trade creditors, land for development and miscellaneous stocks not recognised in the cost of sales adjustment. In the opinion of the directors there has been no significant increase in the market value of land during the year resulting in no adjustment to monetary working capital in respect of land for development. The adjustment in respect of other monetary working capital items has been calculated using the same indices as were used in calculating the cost of sales adjustment.

5. Investment properties

Investment properties have been either internally revalued or, where appropriate, restated using government indices applied to the original cost.

6. Other fixed assets

Property has been internally revalued. Other assets have been stated using the appropriate government indices applied to the original costs.

7. Gearing adjustment

The adjustment is calculated on a group basis and reduces the current cost adjustments by the proportion of the net operating assets which have been financed by borrowings.

William Leech Limited and Subsidiary Companies

**Current cost consolidated profit and loss account
for the year ended 31st August, 1981.**

	Note	£'000	£'000
Turnover			50,286
Operating profit per historical cost accounts			5,542
Current cost operating adjustments	1		1,978
Current cost operating profit			3,564
Gearing adjustment		1,028	
Less: Finance charges		3,767	2,739
			825
Share of profits of associated company			103
Current cost profit before taxation			928
Taxation			813
Current cost profit after taxation			115
Dividends			990
Current cost deficiency			875
Current cost earnings per share			0.77p

William Leech Limited and Subsidiary Companies



Current cost consolidated balance sheet – 31st August, 1981.

	Note	£'000	£'000
Fixed assets			
Investment properties			
Other fixed assets			5,773
			5,308
Interest in associated companies			2,931
Current assets			
Land for development		12,425	
Work in progress		22,613	
Debtors		6,703	
Cash and short term deposits		26	
		<u>41,767</u>	
Current liabilities			
Creditors			
Taxation		14,455	
Bank overdrafts		1,491	
Dividend		6,631	
		495	
		<u>23,072</u>	
Net current assets			18,695
			<u>32,707</u>
Representing:			
Share capital			3,000
Reserves	2		<u>17,305</u>
			20,305
Secured loans			<u>12,402</u>
			<u>32,707</u>

William Leech Limited and Subsidiary Companies

Notes to the current cost accounts

1. Current cost operating adjustments	£'000	£'000
Cost of sales		
Depreciation and disposals		1,768
Monetary working capital		509
		(299)
		<u>1,978</u>
2. Reserves		
At 31st August, 1981		
Current cost reserves:-		
Unrealised surplus on revaluation:		
Investment properties	822	
Other fixed assets	284	
Work in progress	<u>403</u>	1,509
Realised assets:		
Operating	<u>1,978</u>	
Gearing	<u>(1,028)</u>	<u>950</u>
Retained current cost deficiency		2,459
Historical retained profit at 31st August, 1980		(875)
Share Premium		11,571
Share of surplus of valuation arising in associated company		<u>1,423</u>
		<u>2,727</u>
		<u><u>17,305</u></u>



TEN YEAR RECORD

	Turnover £'000	Profit before tax £'000	Profit after tax £'000	Capital & reserves £'000	Net current assets £'000	Earnings per share
1972	8,194	998	617	2,237	1,439	4.9p
1973	10,963	2,035	1,194	3,264	2,640	9.6p
1974	13,523	2,527	1,219	4,360	4,639	9.9p
1975	14,647	2,103	1,002	5,187	6,060	8.1p
1976	17,104	2,601	1,266	6,278	7,785	10.2p
1977	25,943	2,784	2,519	10,796	9,410	20.3p
1978	30,820	2,196	1,786	11,849	10,622	14.4p
1979	31,324	2,343	1,834	14,710	12,133	13.3p
1980	69,787	3,551	2,769	18,721	19,055	18.5p
1981	50,286	1,878	1,065	18,796	18,292	7.1p

The figures for 1977 to 1981 reflect the current accounting policy for deferred taxation and the figures for 1978 to 1981 reflect the current accounting policy for the depreciation of buildings. Earlier years have not been adjusted for changes in accounting policy.

The figures for 1981 are for the year ended 31st August.

The figures for 1980 are for the eighteen month period ended 31st August. All other figures are for years ending 28th February.

FINANCIAL CALENDAR

Results and Meetings

Results for six months to
28th February, 1982

Interim report posted to
shareholders in May.

Results for the year to
31st August, 1982

Preliminary statement
published in December.

Annual Report posted to
shareholders in January.

Annual General Meeting

Held in February

Dividends

Interim

Announced in May.
Paid in July.

Final

Announced in December.
Paid in February.

William Leech Limited

Proxy for use at the Forty-First Annual General Meeting
to be held on 23rd February, 1982

(a) I/We
being a member(s) of the above-named company, hereby appoint

(b) Mr. John Richard Adamson, Chairman

or
whom failing the chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 23rd February, 1982 and at any adjournment thereof.

(c)

RESOLUTIONS	FOR	AGAINST
1. To adopt the directors' report and audited accounts for the year ended 31st August, 1981.		
2. To declare a dividend.		
3. To re-elect Mr. T. G. W. Dinning as a director.		
4. To re-elect Mr. W. R. O. Griffiths as a director.		
5. To appoint Price Waterhouse as auditors of the company.		
6. To authorise the directors to fix the remuneration of the auditors.		

(d) Signature

Dated this day of 1982

NOTES:

- (a) Please insert full name(s) of all holders.
- (b) Members entitled to attend and vote at the meeting may appoint one or more proxies of their own choice to attend and, on a poll, vote in their stead. If it is so desired please insert the name(s) in the space provided.
- (c) Please indicate above with an 'X' how you wish your vote to be cast; if you do not do so and on any other resolutions proposed at the meeting, the proxy will abstain or vote at his discretion.
- (d) In the case of a corporation this proxy must be under the common seal or under the hand of an officer or attorney duly authorised. In the case of joint holdings the signature of the first-named on the register of members will be accepted to the exclusion of the votes of the other joint holders.

Any alterations to this form of proxy should be initialed.

This proxy will be used only in the event of a poll being directed or demanded.

To be effective this proxy must reach the office of the registrars of the company not less than 48 hours before the time of the meeting.

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