

Directors

J.R. Adamson, F.C.A. (Chairman)
P.M. Milburn
C.S. Beattie, C.Eng., M.I.C.E.
T.G.W. Dinning
J. Livingston, F.C.A.
W.R.O. Griffiths (non-executive)
J.W.N. Petty, M.A., LL.B. (non-executive)

**Secretary and
Registered Office**

T.G.W. Dinning
Kingston House,
Kingston Park Centre,
Kenton,
Newcastle upon Tyne
NE3 1BT

Registrar

Lloyds Bank Plc
Registrars Department,
Goring-by-Sea,
Worthing,
West Sussex
BN12 6DA

Bankers

Lloyds Bank Plc
Barclays Bank Plc

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



Directors

J.R. Adamson, F.C.A. (Chairman)
P.M. Milburn
C.S. Beattie, C.Eng., M.I.C.E.
T.G.W. Dinning
J. Livingston, F.C.A.
W.R.O. Griffiths (non-executive)
J.W.N. Petty, M.A., LL.B. (non-executive)

**Secretary and
Registered Office**

T.G.W. Dinning
Kingston House,
Kingston Park Centre,
Kenton,
Newcastle upon Tyne
NE3 1BT

Registrar

Lloyds Bank Plc
Registrars Department,
Goring-by-Sea,
Worthing,
West Sussex
BN12 6DA

Bankers

Lloyds Bank Plc
Barclays Bank Plc

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

D.M. Webb

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

Leech Homes (Humberside) 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.G. Wilson, A.C.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-second Annual General Meeting of the company will be held at the Octagon Suite, Kingston Park Centre, Kenton, Newcastle upon Tyne, on Tuesday, 22nd February, 1983 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, 1982.
- 2 To declare a dividend
- 3 To re-elect as a director, Mr. J.W.N. Petty, who retires at the first Annual General Meeting following his appointment.
- 4 To appoint Price Waterhouse as auditors of the company.
- 5 To authorise the directors to fix the remuneration of the auditors.
- 6 To consider and, if thought fit, to pass the following resolution, which will be proposed as an ordinary resolution:

That the board be and it is hereby generally and unconditionally authorised to exercise all powers of the company to allot relevant securities (within the meaning of Section 14 of the Companies Act 1980) up to an aggregate nominal amount of £1,000,000 provided that this authority shall expire on the day preceding the fifth anniversary of the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
- 7 To consider, and if thought fit, to pass the following resolution, which will be proposed as a special resolution:

That subject to the passing of resolution no. 6 the board be and it is hereby empowered pursuant to Section 18 of the Companies Act 1980 to allot equity securities (within the meaning of Section 17 of the said Act) pursuant to the authority conferred by resolution no. 6 as if sub-section (1) of the said Section 17 did not apply to any such allotment provided that this power shall be limited:

 - (i) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them; and
 - (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £200,000;

and shall expire on the date of the next Annual General Meeting of the company save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

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

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

16th December, 1982.

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.

Chairman's Statement

Financial Results

This has been a most difficult year for your company I stated in my interim report the problems we encountered during the winter of 1982 and the difficult economic conditions in our areas of operation which culminated in a loss before tax of £874,000 for the six months ended 28th February, 1982. As forecast, the six months to 31st August showed a marked improvement, resulting in a profit of £406,000 before tax for the full year to 31st August, 1982.

The leisure division was again disappointing and this activity incurred a loss of £390,000 before finance charges. Net rental income, however, amounted to £617,000, dealing profits were £1,575,000 before finance charges and the contracting division has produced profits of £439,000.

The Current Situation

Although I cannot see a great upsurge in demand, house sales are ahead of last year. I expect the normal seasonal increase in demand which starts in January to be at least as strong as last year and if interest rates remain at their current levels, we should see the seasonal demand continuing over a longer period than it has in the past two years. Inner urban first time buyer sites are still doing well, but there is a reluctance from some Local Authorities to release sufficient sites in these pressure areas. It appears that part exchange will remain a feature of the second time buyer market and I expect that there will be a continuing need over the next few years for a certain amount of your company's resources to be tied up in this activity. You will see from the accounts that the leisure activities have been a drain on your company's funds during the year. Much rationalisation has taken place in Leech Leisure Limited and I am confident that its results for the year to 31st August, 1983 will show an improvement.

Finance

The difficulties we encountered during the earlier part of the year and the involvement of your company in part exchange purchases for second time buyers meant that we were unable to continue the reduction in the level of borrowings, which, however, should show a noticeable reduction by August, 1983. This, together with anticipated lower levels of interest, will reduce our finance charges for the year to August, 1983.



Future Prospects

Although I do not foresee a major upturn in housebuilding activity this year, there should be considerable improvement if the home buyers' confidence returns through better job security and continuing lower interest rates. Availability of mortgage finance and our strong and valuable land bank, together with our attractive product range, will enable us to share in this improvement. Government cut-backs have reduced the amount of Local Authority contracting work substantially, but we have on hand sufficient work for 1983.

So far as leisure is concerned, the major review of this activity took place in the year to 31st August, 1982, and it is not your board's intention to commit any further funds of a material nature in this direction.

The property division will continue to trade satisfactorily; one major development, which is fully let, has already been sold, and the profit will be reflected in the 1983 accounts.

Whilst your board is recommending a modest final dividend of 1.0p per share, they confidently expect to pay both an interim dividend in the current year and an improved final dividend.

Management

My thanks again go to my colleagues for their efforts over the past twelve months and I am pleased to announce that Mr. J.W.N. Petty, a partner in the firm of Dickinson Dees and a director of The William Leech Foundation Limited, has accepted a non-executive position on the board.

J.R. ADAMSON,
Chairman.

16th December, 1982.

Directors' Report

The directors have pleasure in submitting their report and the audited consolidated accounts for the year ended 31st August 1982

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, 1982 are set out in the annexed profit and loss account.

Turnover and Profit

| | Turnover £'000 | Profit before tax £'000 |
|--|-------------------|----------------------------|
| House-building and development | 39,396 | 471 |
| Contracting | 4,979 | 439 |
| Property investment and leisure operations | 1,344 | (504) |

Directors

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

| | | 31st August, 1982 | 31st August, 1981 |
|------------------|-------------|-------------------|-------------------|
| J.R. Adamson | —Beneficial | 197,127 | 247,127 |
| P.M. Milburn | —Beneficial | 10,000 | 10,000 |
| C.S. Beattie | —Beneficial | 2,500 | 1,500 |
| T.G.W. Dinning | —Beneficial | 2,500 | 1,250 |
| J. Livingston | —Beneficial | 11,250 | 1,250 |
| W.R.O. Griffiths | —Beneficial | 2,000 | — |

* Shares held at date appointed director 1st February, 1982.

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, 1982 to the date of this report.

During the year Mr. J.R. Adamson entered into an arrangement with a group company, on normal contract terms, to purchase a house at an approximate cost of £83,000. With this exception, none of the directors had a beneficial interest in any contract to which the company was a party during the year.

Resolutions Authorising The Directors To Allot Shares

On page 3 you will find two resolutions which are proposed under the provisions of Sections 14, 17 and 18 of the Companies Act 1980.

Resolution No. 6

Section 14 of the Companies Act 1980 permits shareholders periodically to authorise the directors to allot shares in the company up to a specified number. It is proposed that the directors be authorised to allot up to 5,000,000 shares at their discretion during the five years from the Annual General Meeting. This represents the present authorised but unissued share capital. An ordinary resolution to that effect is set out as resolution no. 6 on page 3. The directors have no present intention of issuing any unissued shares and no issue will be made which would effectively alter the control of the company without the prior approval of the company in General Meeting.

Resolution No. 7

Under the provisions of Section 17(1) of the Act the directors are required, unless authorised otherwise by the shareholders, whenever they propose to allot shares, directly or indirectly for cash, to offer such shares initially to the shareholders in proportion to their existing shareholdings. Furthermore, directors cannot actually allot the shares until the expiry of the offer period or receipt by the company of notice of acceptance or refusal of the offer.

However, Section 18 of the Act permits the shareholders to authorise the directors to disregard the above requirement where the circumstances are not appropriate or feasible. Examples of circumstances in which a company might wish to allot equity shares (for cash), other than pro rata to existing ordinary shareholders, include:-

- (i) small issues of shares up to, say, 5 per cent of the authorised capital in connection with a vendor placing in respect of an overseas acquisition;
- (ii) in a rights issue of equity shares by giving shareholders resident in certain overseas countries the money's worth of the rights instead of the shares.

It is proposed that subject to the passing of resolution no. 6 the directors have the authority during the period up to the date of the next Annual General Meeting to allot up to 1,000,000 shares, as if the provisions of Section 17(1) did not apply thereto. The resolution does not affect the principle of rights issues to shareholders.

Since the authorities outlined above with regard to resolution no. 7 only operate until the next Annual General Meeting, your directors expect to request shareholders to renew them at future Annual General Meetings.

Dividends

The directors recommend the payment of a final dividend of 1.0p per share. This, after taking into account the imputed tax credit, will amount to 1.43p per share. The proposed dividend amounts to £150,000 and the balance of retained profit of £122,000 is carried forward to reserves.

If approved by the shareholders the final dividend will be paid on 25th February, 1983, to shareholders on the register at the close of business on 21st January, 1983.

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, 1982, 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 open market value of the investment, development and operating properties of the group is not significantly in excess of their 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 loss before taxation of £439,000 compared with a profit of £406,000 on the historical cost basis.

Employees

The average number of employees in the year was 1,454 and their remuneration was £8,628,000.

It is group policy to give fair consideration to the employment needs of disabled people and to comply with any current legislation with regard to disabled persons.

Charitable and Political Donations

Charitable donations of £2,115 and donations of £1,250 to The Northern Area Conservative Council 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, 1982.

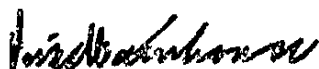
Auditors' report to the members of William Leech PLC.

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, 1982 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, 1982.

**Consolidated profit and loss account
for the year ended 31st August, 1982.**



| | Note | 1982 £'000 | 1981 £'000 |
|--|------|---|---|
| Turnover | 1 | <u>45,719</u> | <u>50,286</u> |
| Operating Profit | 2 | 4,488 | 5,542 |
| Finance charges | 3 | <u>4,184</u> | <u>3,767</u> |
| | | 304 | 1,775 |
| Share of profits of associated companies | | <u>102</u> | <u>103</u> |
| Profit before taxation | | 406 | 1,878 |
| Taxation | 4 | <u>134</u> | <u>813</u> |
| Profit after taxation | 5 | 272 | 1,065 |
| Dividends | 6 | | |
| Interim | | <div style="border: 1px solid black; padding: 2px;">—</div> | <div style="border: 1px solid black; padding: 2px;">495</div> |
| Proposed final | | <div style="border: 1px solid black; padding: 2px;">150</div> | <div style="border: 1px solid black; padding: 2px;">495</div> |
| | | <u>150</u> | <u>990</u> |
| Retained profit | | <u>122</u> | <u>75</u> |
| Earnings per share | 7 | 1.8p | 7.1p |

William Leach PLC and Subsidiary Companies

Consolidated balance sheet - 31st August, 1982

| | | 31st August 1982 | | 31st August 1981 | |
|---|------|---------------------|---------------|---------------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Investment properties | 8 | | 2,612 | | 4,951 |
| Other fixed assets | 9 | | 4,859 | | 5,024 |
| Interest in associated companies | 11 | | 3,139 | | 2,931 |
| Current assets | | | | | |
| Land for development | | 13,612 | | 12,425 | |
| Work in progress | 12 | 22,183 | | 22,210 | |
| Debtors | 13 | 6,532 | | 6,703 | |
| Cash and short term deposits | | 23 | | 26 | |
| | | <u>42,350</u> | | <u>41,364</u> | |
| Current liabilities | | | | | |
| Creditors | 14 | 11,781 | | 14,455 | |
| Taxation | | 1,436 | | 1,491 | |
| Bank overdrafts | 15 | 8,245 | | 6,631 | |
| Dividend | | 150 | | 495 | |
| | | <u>21,612</u> | | <u>23,072</u> | |
| Net current assets | | | <u>20,738</u> | | <u>18,292</u> |
| | | | <u>61,348</u> | | <u>61,198</u> |
| Representing: | | | | | |
| Share capital | 16 | 3,000 | | 3,000 | |
| Reserves | 17 | 15,918 | | 15,796 | |
| | | <u>18,918</u> | | <u>18,796</u> | |
| Secured loans | 18 | 12,430 | | 12,402 | |
| | | <u>31,348</u> | | <u>31,198</u> | |

J.R. Adamsor
P.M. Milburn
Directors

J. R. Adamson
P. M. Milburn



Balance Sheet - 31st August, 1982

| | | 31st August 1982 | | 31st August 1981 | |
|---|------|---------------------|---------------|---------------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | 9 | | 188 | | 213 |
| Interest in subsidiary companies | 10 | | 18,513 | | 23,938 |
| Interest in associated companies | 11 | | 286 | | 269 |
| Current assets | | | | | |
| Debtors | | 208 | | 71 | |
| Cash and short term deposits | | 3,873 | | 2 | |
| | | <u>4,081</u> | | <u>73</u> | |
| Current liabilities | | | | | |
| Creditors | | 1,266 | | 328 | |
| Taxation | | 700 | | 848 | |
| Bank overdrafts | 15 | — | | 1,870 | |
| Dividend | | 150 | | 495 | |
| | | <u>2,116</u> | | <u>3,541</u> | |
| Net current assets/(liabilities) | | | 1,965 | | (3,468) |
| | | | <u>20,952</u> | | <u>20,952</u> |
| Representing: | | | | | |
| Share capital | 16 | | 3,000 | | 3,000 |
| Reserves | 17 | | 7,952 | | 7,952 |
| | | | <u>10,952</u> | | <u>10,952</u> |
| Secured loans | 18 | | 10,000 | | 10,000 |
| | | | <u>20,952</u> | | <u>20,952</u> |

J.R. Adamson
P.M. Milburn
Directors

J. R. Adamson
P. M. Milburn

Statement of source and application of funds for the year ended 31st August, 1982

| | 1982 | | 1981 | |
|---|-------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 |
| Source of funds | | | | |
| Profit before taxation | | 406 | | 1 878 |
| Adjustment for items not involving the movement of funds: | | | | |
| Depreciation | | 288 | | 290 |
| Profits of associated companies | | (102) | | (103) |
| Total generated from operations | | 592 | | 2 065 |
| Funds from other sources | | | | |
| Loans | | 250 | | 2 000 |
| | | 842 | | 4 065 |
| Application of funds | | | | |
| Dividends paid | | 495 | | 990 |
| Tax paid | | 198 | | 167 |
| Purchases less sales: | | | | |
| Investment properties | | (2 339) | | 1 371 |
| Other fixed assets | | 123 | | 1 395 |
| Repayment of loans | | 222 | | 227 |
| | | (1 301) | | 4 150 |
| Increase/(decrease) in working capital | | | | |
| Land for development | 1 187 | | (1 247) | |
| Work in progress | (27) | | (2 938) | |
| Debtors (including amounts owing by associated companies) | (74) | | 3 206 | |
| Creditors | 2 674 | | (3 681) | |
| | | 3 760 | | (4 660) |
| | | 2 450 | | (510) |
| Decrease/(increase) in net liquid funds | | 1 617 | | (4 575) |

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, 1982.

(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 let. 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

| | 1982 £'000 | 1981 £'000 |
|--|---------------|---------------|
| 2. Operating profit | | |
| The group operating profit is stated after crediting: | | |
| Rent receivable less outgoings | 617 | 663 |
| Profit on sale of investment properties | 1,575 | 838 |
| and after charging: | | |
| Depreciation | 288 | 290 |
| Hire of plant and machinery | 564 | 777 |
| Directors' emoluments (Note 22) | | |
| Executive remuneration | 215 | 185 |
| Pensions | — | 10 |
| Auditors' remuneration | 42 | 42 |
| | <u>4,264</u> | <u>3,986</u> |
| 3. Finance charges | | |
| Interest payable on bank loans and overdrafts | 4,264 | 3,986 |
| Less: Interest receivable | (58) | (59) |
| Interest attributable to properties in the course of development | (22) | (160) |
| | <u>4,184</u> | <u>3,767</u> |
| 4. Taxation | | |
| Advance corporation tax on dividends for the year not yet offset against corporation tax liability | 64 | 424 |
| Development land tax for the year | 137 | 355 |
| Adjustment in respect of prior years | (58) | — |
| Share of associated companies' taxation | (9) | 34 |
| | <u>134</u> | <u>813</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. | | |
| 5. Profit after taxation | | |
| The profit for the year has been accounted for as follows: | | |
| Dealt with in accounts of holding company | 150 | 990 |
| Retained by subsidiary companies | 11 | 6 |
| Retained by associated companies | 111 | 69 |
| | <u>272</u> | <u>1,065</u> |



Notes to the accounts continued

6. Dividends

| | 1982 £'000 | 1981 £'000 |
|---|---------------|---------------|
| Interim Nil (1981 3.3p per share) | — | 495 |
| Proposed final of 1.0p per share (1981 3.3p per share) | 150 | 495 |
| | <u>150</u> | <u>990</u> |

7. Earnings per share

The earnings per share for the year ended 31st August, 1982 have been calculated on the profit after taxation of £272,000 (1981 £1,065,000) 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, 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> |
| Additions | | | |
| Freehold | 388 | 348 | 736 |
| Long leasehold | 78 | — | 78 |
| | <u>466</u> | <u>348</u> | <u>814</u> |
| Disposals | | | |
| Freehold | (971) | (313) | (1,284) |
| Long leasehold | (1,869) | — | (1,869) |
| | <u>(2,840)</u> | <u>(313)</u> | <u>(3,153)</u> |
| Reclassification | | | |
| Freehold | 1,914 | (1,914) | — |
| Long leasehold | — | — | — |
| | <u>1,914</u> | <u>(1,914)</u> | <u>—</u> |
| Cost at 31st August, 1982 | | | |
| Freehold | 2,510 | — | 2,510 |
| Long leasehold | 102 | — | 102 |
| | <u>2,612</u> | <u>—</u> | <u>2,612</u> |

In the opinion of the directors the open market value of the investment properties is not significantly in excess of their book amount and accordingly they have not been revalued as required by Statement of Standard Accounting Practice No. 19.

Notes to the accounts 60-61

9. Other fixed assets

| | Operating Properties | | | Under Development Long Leasehold | Plant £'000 | Land £'000 |
|---|----------------------|--|----------------------------|---|----------------|---------------|
| | Freehold £'000 | Completed Short Leasehold £'000 | Long Leasehold £'000 | | | |
| The Group | | | | | | |
| Cost or valuation | | | | | | |
| At 1st September, 1981 | 2,042 | 292 | 486 | 936 | 2,383 | 6,176 |
| Additions | 74 | 18 | 27 | 344 | 252 | 718 |
| Disposals | (45) | — | (482) | — | (252) | 333 |
| Reclassification | — | — | 1,280 | (1,280) | — | — |
| At 31st August, 1982 | 2,071 | 310 | 1,280 | — | 2,279 | 6,940 |
| Accumulated depreciation | 108 | 59 | 13 | — | 901 | 1,083 |
| Net book amount at 31st August, 1982 | 1,963 | 251 | 1,267 | — | 1,378 | 4,859 |
| Net book amount at 31st August, 1981 | 1,959 | 249 | 442 | 936 | 1,438 | 5,024 |
| The Company | | | | | | |
| Cost or valuation | | | | | | |
| At 1st September, 1981 | — | 156 | — | — | 112 | 268 |
| Additions | — | 22 | — | — | 2 | 24 |
| Disposals | — | — | — | — | (57) | (57) |
| At 31st August, 1982 | — | 178 | — | — | 57 | 235 |
| Accumulated depreciation | — | 9 | — | — | 38 | 47 |
| Net book amount at 31st August, 1982 | — | 169 | — | — | 19 | 188 |
| Net book amount at 31st August, 1981 | — | 156 | — | — | 57 | 213 |

Loose tools, scaffolding and site offices were valued at the balance sheet date at £851,000 (1981: £801,000) for the group and nil (1981: nil) for the company (Note 1(vi)).



Notes to the accounts continued

10. Interest in subsidiary companies

| | 1982 £'000 | 1981 £'000 |
|---|---------------|---------------|
| Shares at cost | 1,467 | 1,467 |
| Amounts owing by subsidiary companies | | |
| Deferred loans | 5,175 | 5,175 |
| Current account balances | 14,375 | 17,421 |
| | <u>21,017</u> | <u>24,063</u> |
| Less: Amounts owing to subsidiary companies | | |
| Current account balances | 2,504 | 125 |
| | <u>18,513</u> | <u>23,938</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 | |
|--|---------------|---------------|---------------|---------------|
| | 1982 £'000 | 1981 £'000 | 1982 £'000 | 1981 £'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 | 1 | 1 |
| | <u>138</u> | <u>138</u> | <u>138</u> | <u>138</u> |
| Amounts owing by associated companies on current account | 107 | 10 | 148 | 131 |
| | <u>245</u> | <u>148</u> | <u>286</u> | <u>269</u> |
| Share of accumulated profits | 167 | 66 | — | — |
| Share of surplus on valuation | 2,727 | 2,727 | — | — |
| | <u>3,139</u> | <u>2,931</u> | <u>286</u> | <u>269</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 PLC. and Subsidiary Companies

Notes to the accounts continued

| | | 1982 | 1981 |
|-----------------------------|--|---------------|---------------|
| | | £'000 | £'000 |
| 12. Work in progress | | 24,171 | 26,704 |
| | Work in progress | | |
| | Less: Amounts received and receivable on account of work in progress | (1,988) | (4,494) |
| | | <u>22,183</u> | <u>22,210</u> |
| 13. Debtors | Debtors include secured amounts of £1,615,000 (1981 £1,531,000) falling due after more than one year. | | |
| 14. Creditors | Creditors include £1,324,000 (1981 £1,111,000) relating to secured creditors falling due after more than one year. | | |
| 15. Bank Overdrafts | At 31st August, 1982 secured bank overdrafts of the group and of the company amounted to £8,676,000 and nil respectively (31st August, 1981 £6,229,000 and £1,357,000 respectively). | | |
| 16. Share Capital | | 1982 | 1981 |
| | | £'000 | £'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> |
| 17. Reserves | | The Group | |
| | | 1982 | 1981 |
| | | £'000 | £'000 |
| | Revenue reserves brought forward | 11,646 | 11,571 |
| | Retained profit for the year | <u>122</u> | <u>75</u> |
| | Revenue reserves carried forward | 11,768 | 11,646 |
| | Share premium account | 1,423 | 1,423 |
| | Share of surplus on valuation arising in associated company (Note 11) | <u>2,727</u> | <u>2,727</u> |
| | | <u>15,918</u> | <u>15,796</u> |
| | | The Company | |
| | | 1982 | 1981 |
| | | £'000 | £'000 |
| | Revenue reserves brought forward | 6,529 | 6,529 |
| | Retained profit for the year | <u>—</u> | <u>—</u> |
| | Revenue reserves carried forward | 6,529 | 6,529 |
| | Share premium account | 1,423 | 1,423 |
| | Share of surplus on valuation arising in associated company (Note 11) | <u>—</u> | <u>—</u> |
| | | <u>7,952</u> | <u>7,952</u> |



Notes to the accounts continued

18. Loans

| | The Group | | The Company | |
|---|---------------|---------------|---------------|---------------|
| | 1982 | 1981 | 1982 | 1981 |
| | £'000 | £'000 | £'000 | £'000 |
| Secured bank loans | 12,180 | 12,150 | 10,000 | 10,000 |
| Secured interest free loan | — | 140 | — | — |
| Unsecured interest free loan | 250 | — | — | — |
| Unsecured loan at 5% interest per annum | — | 112 | — | — |
| | <u>12,430</u> | <u>12,402</u> | <u>10,000</u> | <u>10,000</u> |
| Comprising: | | | | |
| Repayable within 1-2 years | 1,410 | 116 | 1,200 | — |
| Repayable within 2-5 years | 5,005 | 4,573 | 3,600 | 3,600 |
| Repayable after 5 years | 6,015 | 7,713 | 5,200 | 6,400 |
| | <u>12,430</u> | <u>12,402</u> | <u>10,000</u> | <u>10,000</u> |

19. 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 | |
|--|----------------|----------------|----------------|----------------|
| | 1982 | 1981 | 1982 | 1981 |
| | £'000 | £'000 | £'000 | £'000 |
| Taxation deferred in respect of capital allowances | 703 | 679 | 33 | 38 |
| Taxation deferred in respect of other timing differences including unabsorbed tax losses | (648) | (430) | 7 | 187 |
| | <u>55</u> | <u>249</u> | <u>40</u> | <u>225</u> |
| Advance corporation tax available for relief against future corporation tax liabilities | <u>(2,370)</u> | <u>(2,306)</u> | <u>(2,370)</u> | <u>(2,306)</u> |

Tax deferred by stock relief is treated as permanent.

There are tax losses carried forward in group companies and available to be set against future taxable profits amounting to £16,729,000 (1981 £14,594,000) and to the extent of £1,367,000 (1981 £925,000) have been taken into account in arriving at the potential deferred taxation noted above.

These losses include stock relief claimable under Finance Act 1981 but not utilised of £1,580,000 (1981 £316,000). The components of this amount are only available for utilisation against taxable profits within 6 years of the year in respect of which the relief was originally claimable.

Notes to the accounts continued

20. Capital commitments

| | The Group | | The Company | |
|-------------------------------|-----------|-------|-------------|-------|
| | 1982 | 1981 | 1982 | 1981 |
| | £'000 | £'000 | £'000 | £'000 |
| Authorised and contracted | — | 620 | — | — |
| Authorised and not contracted | — | 2 | — | — |
| | — | 622 | — | — |

21. 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 loans of £2,402,000 (1981 £2,639,000) to subsidiaries. In addition the group has guaranteed bank loans and overdrafts of associated companies to a maximum of £950,000 (1981 £700,000) of which £500,000 (1981 £500,000) is secured by a charge on group assets. There is a further charge on the assets of the group in respect of a secured loan to an associated company, but the directors are of the opinion that the loan is fully secured on the assets of the associated company and that no further liability will arise.

22. Directors and employees emoluments

Emoluments of directors excluding pension contributions were:

| | 1982 | 1981 |
|------------------------------------|--------|--------|
| | 54,391 | 46,072 |
| Chairman and highest paid director | | |
| Other directors | | |
| £0 — £5,000 | 1 | — |
| £5,001 — £10,000 | — | 1 |
| £10,001 — £15,000 | — | 2 |
| £15,001 — £20,000 | — | 1 |
| £20,001 — £25,000 | — | 1 |
| £25,001 — £30,000 | — | — |
| £30,001 — £35,000 | — | 1 |
| £35,001 — £40,000 | — | — |

Emoluments of senior employees whose emoluments were in excess of £20,000 (excluding pension contributions) were as follows:

| | | |
|-------------------|---|---|
| £20,001 — £25,000 | 5 | 2 |
|-------------------|---|---|

23. Approval of financial statements

The financial statements were approved by the board of directors on 16th December, 1982.

24. Other statutory information

The financial statements have been prepared in compliance with Section 152A of and Schedule 8A to the Companies Act 1948.



Current Cost Accounts

Accounting policies

1. Basis of accounting

The company has prepared its 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.

**Current cost consolidated profit and loss account
for the year ended 31st August, 1982**

| | | 1982 | | 1981 | |
|--|------|--------------|---------------|--------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Turnover | | | <u>45,719</u> | | <u>50,286</u> |
| Operating profit per historical cost accounts | | | 4,488 | | 5,542 |
| Current cost operating adjustments | 1 | | <u>1,836</u> | | <u>1,978</u> |
| Current cost operating profit | | | 2,652 | | 3,564 |
| Gearing adjustment | | 991 | | 1,028 | |
| Less: Finance charges | | <u>4,184</u> | <u>3,193</u> | <u>3,767</u> | <u>2,739</u> |
| | | | (541) | | 825 |
| Share of profits of associated companies | | | <u>102</u> | | <u>103</u> |
| Current cost (loss)/profit before taxation | | | (439) | | 928 |
| Taxation | | | <u>134</u> | | <u>813</u> |
| Current cost (loss)/profit after taxation | | | (573) | | 116 |
| Dividends | | | <u>150</u> | | <u>990</u> |
| Current cost deficiency | | | <u>(723)</u> | | <u>(875)</u> |
| Current cost earnings per share | | | (3.82p) | | 0.77p |

William Leech PLC. and Subsidiary Companies

Current cost consolidated balance sheet - 31st August, 1982



| | | 31st August 1982 | | 31st August 1981 | |
|---|------|---------------------|---------------|---------------------|---------------|
| | Note | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Investment properties | | | 2,612 | | 5,773 |
| Other fixed assets | | | 5,157 | | 5,308 |
| Interest in associated companies | | | 3,139 | | 2,931 |
| Current assets | | | | | |
| Land for development | | 13,612 | | 12,425 | |
| Work in progress | | 22,403 | | 22,613 | |
| Debtors | | 6,532 | | 6,703 | |
| Cash and short term deposits | | 23 | | 26 | |
| | | <u>42,570</u> | | <u>41,767</u> | |
| Current liabilities | | | | | |
| Creditors | | 11,781 | | 14,455 | |
| Taxation | | 1,436 | | 1,491 | |
| Bank overdrafts | | 8,245 | | 6,631 | |
| Dividend | | 150 | | 495 | |
| | | <u>21,612</u> | | <u>23,072</u> | |
| Net current assets | | | 20,058 | | 18,695 |
| | | | <u>31,866</u> | | <u>32,707</u> |
| Representing: | | | | | |
| Share capital | | | 3,000 | | 3,000 |
| Reserves | 2 | | 16,436 | | 17,305 |
| | | | 19,436 | | 20,305 |
| Secured loans | | | 12,430 | | 12,402 |
| | | | <u>31,866</u> | | <u>32,707</u> |

Notes to the current cost accounts

| | 1982 | 1981 |
|---|--------------|---------------|
| | £'000 | £'000 |
| 1. Current cost operating adjustments | | |
| Cost of sales | 1,176 | 1,768 |
| Depreciation and disposals | 798 | 509 |
| Monetary working capital | (138) | (299) |
| | <u>1,836</u> | <u>1,978</u> |
| 2. Reserves | | |
| At 31st August, 1982 | | |
| Current cost reserves:- | | |
| Unrealised surplus on revaluation: | | |
| Fixed assets | 298 | |
| Work in progress | <u>220</u> | 518 |
| Realised adjustments: | | |
| Operating | 1,836 | |
| Gearing | <u>(991)</u> | 845 |
| | | <u>1,363</u> |
| Retained current cost deficiency | | (723) |
| Historical retained profit at | | |
| 31st August, 1981 | | 11,646 |
| Share premium | | 1,423 |
| Share of surplus of valuation arising in associated company | | <u>2,727</u> |
| | | <u>16,436</u> |



TEN YEAR RECORD

| | Turnover £'000 | Profit before tax £'000 | Profit after tax £'000 | Capital & reserves £'000 | Net current assets £'000 | Earnings per share |
|------|-------------------|-------------------------------|------------------------------|--------------------------------|--------------------------------|-----------------------|
| 1973 | 11,447 | 2,035 | 1,194 | 3,264 | 2,640 | 9.6p |
| 1974 | 13,413 | 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 |
| 1982 | 45,719 | 406 | 272 | 18,918 | 20,738 | 1.8p |

The figures for 1977 to 1982 reflect the current accounting policy for deferred taxation and the figures for 1978 to 1982 reflect the current accounting policy for the depreciation of buildings. Earlier years have not been adjusted for changes in accounting policy.

The figures 1981 and 1982 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, 1983

Interim report posted to
shareholders in May.

Results for the year to
31st August, 1983

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 PLC.

Proxy for use at the Forty-Second Annual General Meeting
to be held on 22nd February, 1983

(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 22nd February, 1983 and at any adjournment thereof.

(c)

| RESOLUTIONS | FOR | AGAINST |
|--|-----|---------|
| 1. To adopt the directors' report and audited accounts for the year ended 31st August, 1982. | | |
| 2. To declare a dividend. | | |
| 3. To re-elect as a director Mr. J.W.N. Petty. | | |
| 4. To appoint Price Waterhouse as auditors of the company. | | |
| 5. To authorise the directors to fix the remuneration of the auditors. | | |
| 6. To authorise the directors to allot shares. | | |
| 7. To disapply the provisions of S17(1) of the Companies Act 1980. | | |

(d) Signature

Dated this day of 1983

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 initialled.

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.

Third fold and tuck in

Postage
will be
paid by
Licensee

Do not affix Postage stamps if posted in
Gt. Britain, Channel Islands or N. Ireland.



BUSINESS REPLY SERVICE
Licence No. WG 83

2

First fold

LLOYDS BANK Plc
REGISTRARS DEPARTMENT
GORING-BY-SEA
WORTHING
WEST SUSSEX
BN12 4BR

Second fold