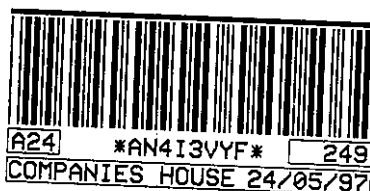


UNITED HOUSE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1996



DIRECTORS' REPORT AND ACCOUNTS

Registered No. - 817560

YEAR ENDED 31ST DECEMBER 1996

The Directors present their annual report and the audited accounts for the year ended 31st December 1996. This report should be read in conjunction with the statements set out in pages 4 to 13 of these accounts.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

United House is a long established Building Contractor and Developer specialising in housing. The company operates from the Group's 10 acre freehold site in Swanley, Kent.

During 1996, the Company continued to improve its profitability by concentrating on its core markets and in particular the quality of service to its customers. United House is looking forward to still further improvement during 1997.

The decision the Company made in 1994 to withdraw from uneconomic competitive tender design-and-build contracting has proven to be completely correct and the consequent improvement in performance has reinforced the Company's resolve not to re-enter this market. Despite the on-going recession within the building industry, the Company's profitability continues to improve. This achievement is a testament to the continuing goodwill and reputation for quality that the Company enjoys.

During the year, the Company created a number of opportunities by working in partnership with clients to provide new social housing, in some instances subsidised by the sale of private housing. In addition, the Company, working as a contractor, continued to improve existing social housing stock. The Company has re-entered the central London residential development market, with a number of schemes currently being marketed, and has worked closely with a major national house builder on two large schemes in the same area.

Meanwhile the Company has maintained its strong position as a Building Services Contractor and continues with its unique Home Comfort Scheme. This Scheme offers deferred payment packages for major modernisation contracts to clients, funding being provided by a merchant bank.

Turnover for the year was £23,288,000 (1995: £32,842,000) and the profit before taxation was £772,000 (1995: £677,000).

The Directors do not recommend the payment of a dividend (1995: £nil). Transfers to and from reserves are noted on page 13.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company during the year were as follows:

Mr J W Adams
Mr R A Allen
Mr K B Duggan
Mr J D Hindle
Mr P Lawton
Mr R A Perkins

The Directors of the Company have no interests in the shares of the Company. Both Mr Adams and Mr Duggan are also Directors of United House Group Limited, the Company's ultimate parent undertaking. Their interests in the shares of that company are disclosed in the accounts of that company as appropriate.

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1996

STAFF INVOLVEMENT

Employee Environment -

The Company continues to work closely with its staff, being now in its second year of regular quarterly meetings with representatives at all levels where policy decisions and strategies are discussed and agreed. Staff appraisal, now in its sixth year, continues to benefit all involved, while there is an on-going training programme which covers all aspects of the needs of employees.

Disabled Persons -

In its employee recruitment practices, full consideration is given to job applications received from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Where disabled persons have the aptitude and the abilities necessary for the job, sympathetic consideration is given to their applications where necessary and, where possible, special training arrangements will be made to facilitate their engagement.

Where an employee becomes disabled whilst employed by the Company, arrangements are made, wherever possible, for retraining in order to perform a job identified as appropriate to the aptitude and abilities of the individual concerned.

Encouragement is given in the training, care, development and promotion of all employees according to opportunities available, organisation requirements and individual aptitudes and abilities. This also includes disabled employees for whom any further necessary training is arranged, taking account of their particular needs.

CHARITABLE DONATIONS

During 1996 the Company made charitable contributions of £8,785 (1995: £48,062).

FIXED ASSETS

Details of changes to fixed assets are given in Note 8 to the accounts.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By order of the Board



S Cross
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period. In preparing those accounts the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF UNITED HOUSE LIMITED

We have audited the accounts on pages 4 to 13.

Respective responsibilities of directors and auditors

As described above the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group as at 31st December 1996 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LONDON

8 May 1997

Chartered Accountants

Registered Auditors

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1996

	NOTE	1996 £000	1995 £000
TURNOVER	2	23,288	32,842
Cost of sales		(19,109)	(28,665)
GROSS PROFIT		4,179	4,177
Distribution costs		(528)	(792)
Administration expenses		(2,885)	(2,708)
Other operating income		7	-
Operating profit on ordinary activities		773	677
Interest receivable		1	1
Interest payable		(2)	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	772	677
Taxation on profit on ordinary activities	6	(260)	(52)
RETAINED PROFIT FOR THE FINANCIAL YEAR	7	512	625

The results stated above all relate to continuing operations. •

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31ST DECEMBER 1996

	1996 £000	1995 £000
Retained profit for the financial year	512	625
Consolidation reserve arising on acquisition of subsidiary undertaking	8	-
Shareholders' funds brought forward	142	(483)
Shareholders' funds carried forward	662	142

Historical cost profits and losses are not materially different from those shown above.
There are no recognised gains and losses other than those shown above.

Movements in reserves are shown in Note 16 on page 13.


The notes on pages 8 to 13 form part of these accounts.

CONSOLIDATED BALANCE SHEET AT 31ST DECEMBER 1996

	NOTE	1996 £000	1995 £000
FIXED ASSETS			
Tangible assets	8	94	107
Investments	9	-	1,339
		<u>94</u>	<u>1,446</u>
CURRENT ASSETS			
Stocks	10	3,780	1,908
Debtors *	11	7,097	6,670
		<u>10,877</u>	<u>8,578</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(9,985)</u>	<u>(8,305)</u>
NET CURRENT ASSETS		<u>892</u>	<u>273</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>986</u>	<u>1,719</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	<u>(97)</u>	<u>(1,290)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(227)</u>	<u>(287)</u>
		<u>662</u>	<u>142</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account	16	<u>662</u>	<u>142</u>
EQUITY SHAREHOLDERS' FUNDS		<u>662</u>	<u>142</u>

* Included within debtors are amounts receivable after more than one year of £13,000 (1995: £1,466,000).

These accounts were approved by the Board of Directors on 8 May 1997.


J W Adams
 Director

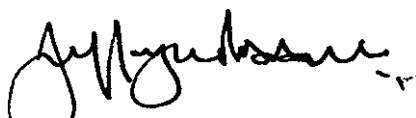
The notes on pages 8 to 13 form part of these accounts.

COMPANY BALANCE SHEET AT 31ST DECEMBER 1996

	NOTE	1996 £000	1995 £000
FIXED ASSETS			
Tangible assets	8	94	107
Investments	9	2,391	1,550
		<u>2,485</u>	<u>1,657</u>
CURRENT ASSETS			
Stocks	10	1,721	1,764
Debtors *	11	2,592	2,593
		<u>4,313</u>	<u>4,357</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(5,653)	(5,233)
NET CURRENT (LIABILITIES)		<u>(1,340)</u>	<u>(876)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,145</u>	<u>781</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(97)	(161)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(227)	(287)
		<u>821</u>	<u>333</u>
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account		<u>821</u>	<u>333</u>
EQUITY SHAREHOLDERS' FUNDS		<u>821</u>	<u>333</u>

* Included within debtors are amounts receivable after more than one year of £13,000 (1995: £334,000).

These accounts were approved by the Board of Directors on 8 May 1997.


J.W. Adams
Director

The notes on pages 8 to 13 form part of these accounts.

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER 1996

	1996 £000	1996 £000	1995 £000	1995 £000
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,103		1,437
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest element of finance lease payments	(2)		(1)	
Interest received	<u>1</u>		<u>1</u>	
		(1)		-
TAXATION		17		123
CAPITAL EXPENDITURE				
Purchase of tangible fixed assets		(37)		(40)
ACQUISITIONS AND DISPOSALS				
Investment in associated undertaking	-		(1,549)	
Purchase of subsidiary undertaking	<u>(1,126)</u>		<u>-</u>	
		(1,126)		(1,549)
CASH OUTFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(44)		(29)
FINANCING				
New finance leases taken on	-		36	
Capital element of finance lease payments	<u>(9)</u>		<u>(7)</u>	
		(9)		29
DECREASE IN CASH IN THE PERIOD		<u>(53)</u>		<u>-</u>
ANALYSIS OF NET DEBT	1 Jan 1996 £000	Cash flow £000	Acquisition £000	31 Dec 1996 £000
Cash at bank	-	(53)	53	-
Finance leases	<u>(29)</u>	<u>9</u>	<u>-</u>	<u>(20)</u>
	<u>(29)</u>	<u>(44)</u>	<u>53</u>	<u>(20)</u>
	1996 £000	1996 £000	1995 £000	1995 £000
RECONCILIATION OF OPERATING PROFIT TO OPERATING CASHFLOWS				
Profit before interest payable and receivable		773		677
Depreciation of tangible fixed assets	50		58	
Provision for unrealised profit	-		210	
Movement in provisions	<u>(60)</u>		<u>(22)</u>	
		(10)		246
		763		923
Movement in stock		1,162		785
Movement in debtors		(425)		1,075
Movement in creditors		<u>(397)</u>		<u>(1,346)</u>
		<u>1,103</u>		<u>1,437</u>

ACQUISITION OF SUBSIDIARY UNDERTAKING

Details of the net assets acquired and the consideration paid are shown in Note 9. The subsidiary undertaking acquired contributed £ 244,000 to the Group's net operating cash flows.

YEAR ENDED 31ST DECEMBER 1996

NOTES TO THE ACCOUNTS

1. **PRINCIPAL ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's and the Group's accounts:

(a) **Basis of accounting**

The consolidated accounts include the accounts of the Company and its subsidiary undertakings to 31st December of each year. In accordance with S230 of the Companies Act 1985 a separate profit and loss account dealing with the results of the Company has not been presented. The accounts have been prepared in accordance with applicable Accounting Standards and under the historical cost convention. Associated undertakings are accounted for by the equity method.

(b) **Depreciation**

Depreciation is provided on the straight line basis so as to write off the assets over their anticipated useful lives at the following rates:

Computer and word processing equipment	20% - 33%
Other plant and equipment	15% - 33%
Leased vehicles	period of the lease

(c) **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes all production overheads and the attributable proportion of indirect overhead expenses.

(d) **Long term contracts**

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses which are foreseen. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

(e) **Deferred taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future and is not provided where it is expected that no such liability will crystallise.

(f) **Leases**

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset with an equivalent liability (net of finance charges allocated to future periods) included within creditors. Assets are depreciated over the lease term. Finance charges are allocated over the life of each lease to produce a constant rate of return on the outstanding balance.

Operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(g) **Goodwill**

Goodwill arising on the acquisition of shares in subsidiary undertakings is written off to reserves in the year in which the acquisition takes place. The goodwill written off in relation to acquisitions made prior to 23rd December 1989 has not been disclosed since the information is not readily available.

YEAR ENDED 31ST DECEMBER 1996

NOTES TO THE ACCOUNTS

1. **PRINCIPAL ACCOUNTING POLICIES** (continued)

(h) **Pensions**

The Group operates a discretionary defined contribution scheme. This is a money purchase scheme and is operated on an individual employee basis by the Trustees. It is funded in accordance with the Trust Deed and the Company's contributions are charged to the profit and loss account in the year in which contributions are made.

2. **TURNOVER**

Turnover represents the total amount receivable by the Group for goods sold, work done and services rendered during the year and is exclusive of VAT. The Group trades largely in the South East of England and turnover arises principally from house building, housing refurbishment and commercial refurbishment.

3. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1996 £000	1995 £000
The Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets		
Owned	46	59
Held under finance leases	4	-
Directors' emoluments (see note 4):-		
As executives	172	282
Hire of plant and machinery	4	5
Other operating lease charges	138	133

The total auditors' remuneration and expenses for United House Limited are shown in the accounts of this Company's fellow subsidiary undertaking, Chart Holdings Limited.

4. **EMOLUMENTS OF THE DIRECTORS**

The emoluments of the highest paid Director, excluding pension contributions but including benefits in kind, were £63,184 (1995: £59,954). The emoluments of the Chairman were £nil (1995: £nil). The emoluments of the Directors, excluding pension contributions, were within the following ranges:

	1996	1995
£0 - £ 5,000	3	2
£10,001 - £15,000	-	1
£20,001 - £25,000	-	1
£40,001 - £45,000	-	3
£45,001 - £50,000	1	-
£55,001 - £60,000	1	2
£60,001 - £65,000	1	-

During the year, PML Consultants (Building & Promotions) Limited ("PML"), a company of which Mr P Lawton was a director and shareholder, provided marketing and public relations consultancy services to United House Limited on an arms length basis. PML was paid £28,531 for those services (1995: £32,354). In addition PML was also paid £118,000 in respect of services provided by third parties which were arranged by PML as agents for United House Limited (1995: £88,000).

YEAR ENDED 31ST DECEMBER 1996 **NOTES TO THE ACCOUNTS**

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year was 129 (1995: 166). The aggregate payroll costs of these persons were as follows:

	1996	1995
	£000	£000
Wages and salaries	2,448	3,093
Social security costs	296	360
Other pension costs	67	80
	<u>2,811</u>	<u>3,533</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax on the profit for the year at 33% (1995: 33%)
Over provision for previous years

	1996	1995
	£000	£000
	273	124
	(13)	(72)
	<u>260</u>	<u>52</u>

7. RETAINED PROFIT FOR THE FINANCIAL YEAR

Retained by holding company
Retained by subsidiary undertakings

	1996	1995
	£000	£000
	488	806
	24	(181)
	<u>512</u>	<u>625</u>

8. TANGIBLE FIXED ASSETS

Group and Company

	Motor Vehicles	Plant and Machinery	Fixtures, Fittings, Tools and Equipment	Total
	£000	£000	£000	£000
Cost at 1 Jan 1996	41	509	154	704
Additions	10	24	3	37
Cost at 31 Dec 1996	<u>51</u>	<u>533</u>	<u>157</u>	<u>741</u>
Depreciation at 1 Jan 1996	3	473	121	597
Charged in year	6	29	15	50
Depreciation at 31 Dec 1996	<u>9</u>	<u>502</u>	<u>136</u>	<u>647</u>
Net book value at 31 Dec 1996	<u>42</u>	<u>31</u>	<u>21</u>	<u>94</u>
Net book value at 1 Jan 1996	<u>38</u>	<u>36</u>	<u>33</u>	<u>107</u>

Included within Motor Vehicles are assets held under finance leases with a net book value of £32,000 (1995: £36,000) after accumulated depreciation of £4,000 (1995: £nil).

YEAR ENDED 31ST DECEMBER 1996 **NOTES TO THE ACCOUNTS**

9. FIXED ASSET INVESTMENTS

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Cost of shares in subsidiary undertakings	-	-	1	-
Loans to subsidiary undertakings	-	-	2,390	-
Investment in associated undertaking:-				
Shares	-	1	-	1
Loans	-	1,338	-	1,549
	<u>-</u>	<u>1,339</u>	<u>2,391</u>	<u>1,550</u>

Shares in subsidiary undertakings are carried at cost less dividends paid out of pre-acquisition reserves. The subsidiary undertakings set out below are all registered in England and Wales and are all 100% directly owned.

	PRINCIPAL ACTIVITIES
Appointclass Ltd	Property development
Argos Building and Heating Supplies Ltd	Specialist builders merchants
Calverside Ltd	Property development
Harp Contracts Ltd	Dormant
Regency Developments Ltd	Property development

On 26 January 1996 the Company acquired the whole of the issued share capital of a newly formed company, Regency Developments Ltd for £2. On 12 June 1996 the Company also acquired, for £500, the remaining 50% of the issued share capital of Calverside Ltd, a company which was previously an associated undertaking.

The investment in an associated undertaking comprised a holding of 500 'A' Ordinary Shares in Calverside Limited, a joint venture property development company registered in England and Wales. The issued share capital of Calverside consists of 500 'A' Ordinary Shares and 500 'B' Ordinary Shares. The loan investment in Calverside was stated after a provision of £210,000.

The consolidated profit and loss account includes the following amounts in respect of Calverside as a subsidiary undertaking: Turnover: £3,000,000 (1995: £nil); Profit before and after taxation: £nil (1995: £nil). Prior to the acquisition of the remaining shares in Calverside, the Group's share of the Company's profit before tax was £nil (1995: £nil) and the Group's share of Calverside's retained profits was £nil (1995: £nil).

At the same time as the Company acquired the remaining 50% of the share capital of Calverside, it also purchased for £1,127,000, Loan Stock issued by Calverside to its other shareholder. The Group's total investment then amounted to £2,465,000. At the same date, Calverside had Net Assets of £2,473,000 (comprising Work in progress £3,034,000; Cash £53,000; Debtors £10,000; Current Liabilities £624,000).

10. STOCKS

	Group 1996 £000	Group 1995 £000	Company 1996 £000	Company 1995 £000
Work in progress	3,551	1,764	1,721	1,764
Finished goods and goods for resale	229	144	-	-
	<u>3,780</u>	<u>1,908</u>	<u>1,721</u>	<u>1,764</u>

YEAR ENDED 31ST DECEMBER 1996 **NOTES TO THE ACCOUNTS**

11. DEBTORS

	Group	Group	Company	Company
	1996	1995	1996	1995
	£000	£000	£000	£000
Trade debtors	5,585	5,907	1,751	2,252
Amounts recoverable on contracts	777	129	777	129
Amounts due to fellow subsidiary undertaking	671	521	-	-
Taxation recoverable	1	9	1	8
Other debtors	33	57	33	57
Prepayments and accrued income	30	47	30	47
Dividends receivable from subsidiary undertakings	-	-	-	100
	<u>7,097</u>	<u>6,670</u>	<u>2,592</u>	<u>2,593</u>
The following amounts included above are receivable in more than one year:-				
Trade debtors	<u>13</u>	<u>1,466</u>	<u>13</u>	<u>334</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	1996	1995	1996	1995
	£000	£000	£000	£000
Amounts owed to fellow subsidiary undertakings	2,533	2,896	408	874
Payments on account	917	105	917	105
Trade creditors	2,309	903	217	277
Corporation tax	274	47	268	-
Other taxes and social security	828	1,443	828	1,087
Other creditors	1,021	1,154	1,021	1,154
Obligations under finance leases	9	9	9	9
Accruals and deferred income	2,094	1,748	1,985	1,727
	<u>9,985</u>	<u>8,305</u>	<u>5,653</u>	<u>5,233</u>

Included within Other creditors is £14,000 (1995: £10,000) due to the Group pension scheme.

The bank loans and overdraft are secured by a fixed and floating charge over all assets given by all Group undertakings and by a fixed charge over the Group's freehold premises.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	Group	Company	Company
	1996	1995	1996	1995
	£000	£000	£000	£000
Amounts owed to fellow subsidiary undertakings	-	1,129	-	-
Obligations under finance leases	11	20	11	20
Other creditors	86	141	86	141
	<u>97</u>	<u>1,290</u>	<u>97</u>	<u>161</u>

Obligations under finance leases are payable between two and five years from the balance sheet date.

YEAR ENDED 31ST DECEMBER 1996

NOTES TO THE ACCOUNTS

14. PROVISIONS FOR LIABILITIES AND CHARGES

Group and Company:— Repairs Provision

Balance at 1 January 1996

Released to profit and loss account

Balance at 31 December 1996

There is no potential liability to deferred taxation.

£000

287

(60)

227

15. SHARE CAPITAL

1996

1995

£

£

Authorised, allotted, called up and fully paid:

100 Ordinary Shares of £1 each

100

100

16. PROFIT AND LOSS ACCOUNT

Group

Balance at 1 January 1996

Retained profit for the financial year

Consolidation reserve arising on acquisition of subsidiary undertaking

Balance at 31 December 1996

£000

142

512

8

662

17. LEASING COMMITMENTS

Operating lease payments to be made during the following year on motor vehicles are analysed between those for which the commitment expires as follows:

	Group	Group	Company	Company
	1996	1995	1996	1995
	£000	£000	£000	£000
Within one year	1	12	1	9
Two to five years	42	36	20	6
	43	48	21	15

18. FLOATING CHARGE

The Company and its subsidiary undertakings have charged their assets by way of fixed and floating charges to secure certain liabilities of United House Group Limited, this Company's parent undertaking. As at the 31st December 1996 the aggregate amount secured by these charges was £1,577,000 (1995: £4,419,000).

19. ULTIMATE PARENT UNDERTAKING

The Company is a direct subsidiary undertaking of United House Group Limited, registered in England and Wales, which was also the Company's ultimate parent undertaking.

20. CONTINGENT LIABILITIES

In the construction industry disputes sometimes arise in the normal course of business and can lead to litigation or arbitration proceedings. The Directors have considered and reviewed all of the Group's contracts and have made full and proper provision in the accounts where they consider that liabilities may exist.

21. CAPITAL COMMITMENTS

There were no capital commitments at either 31st December 1995 or 1996 for which provision had not been made in these accounts.

In the normal course of business the Company has provided guarantees to certain suppliers of the Company's subsidiaries and has also guaranteed performance bonds in respect of contracts.



UNITED HOUSE LIMITED

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