

B I R C H   H O M E S   L I M I T E D

ANNUAL REPORT

30th SEPTEMBER 1991

COMPANY NUMBER: 2196684

# BIRCH HOMES LIMITED

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DIRECTORS AND ADVISORS

DIRECTORS: P J Gadsby M. Inst. M.  
K G W Litting F.C.C.A., A.C.M.A.  
C J Endsor B.Sc.  
A J Noton B.Sc., A.R.I.C.S.  
(appointed 18th February 1992),.

SECRETARY: J A Cox B.A., A.C.A.

REGISTERED OFFICE: Cedar House  
35 Ashbourne Road  
Derby  
DE3 3FQ

AUDITORS: KPMG Peat Marwick  
Peat House  
Stuart Street  
Derby  
DE1 2EQ

SOLICITORS: Bakewells  
64 Friargate  
Derby  
DE1 1OL  
  
Edwards Geldard  
St Michaels Court  
St Michaels Lane  
Derby  
DE1 3HQ  
  
Gadsby Coxon Copestake  
Sterne House  
Lodge Lane  
Derby  
DE1 3WD

BANKERS: Royal Bank of Scotland plc  
41 Cornmarket  
Derby  
DE1 2DH

# B I R C H   H O M E S   L I M I T E D

## DIRECTORS' REPORT

The Directors present their report and audited accounts for the year ended 30th September 1991.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

Though trading was minimal during the year, the company has successfully consolidated its position by obtaining land options, and will be in a strong position to take advantage of the market upturn when it arrives.

### RESULTS AND DIVIDEND

The results for the year are set out on page 5 of the accounts. The Directors do not recommend the payment of a dividend (1990: £Nil).

### DIRECTORS' INTERESTS

The Directors had no beneficial interests in the shares of the Company at any time during the year.

The interests of the Directors in the ultimate parent company at the beginning and end of the year in 10p Ordinary Shares were as follows:

P J Gadsby	500,000
K G W Litting	68,570
C J Endsor	10,870

### AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of KPMG Peat Marwick will be put to the Annual General Meeting.

By order of the Board

A Cox  
Secretary

REPORT of the AUDITORS, KPMG PEAT MARWICK

to the MEMBERS of

B I R C H   H O M E S   L I M I T E D

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 30th September 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Derby

26th February 1992

KPMG Peat Marwick.

Chartered Accountants  
Registered Auditor

# B I R C H   H O M E S   L I M I T E D

## STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

### ACCOUNTING CONVENTION

The accounts on pages 5 to 10 have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

### TURNOVER

Turnover represents the invoiced value of sales provided to third parties during the year, exclusive of value added tax.

### STOCKS

Stocks and work in progress are stated at the lower of cost and net realisable value. In respect of finished goods and work in progress, cost represents the cost of purchase and an appropriate proportion of fixed and variable overheads. Net realisable value is the estimated selling price after allowing for the cost of realisation.

### TAXATION

The charge for taxation is based upon the profit for the year and takes into account deferred taxation on timing differences to the extent that a liability is expected to arise in the foreseeable future.

# B I R C H   H O M E S   L I M I T E D

## P R O F I T   A N D   L O S S   A C C O U N T

For the year ended 30th September 1991

	Notes	1991 £'000	1990 £'000
Turnover	1	100	1,039
Cost of Sales		(93)	(821)
		<hr/>	<hr/>
GROSS PROFIT		7	218
Administrative Expenses		(1)	(120)
Interest Receivable		-	1
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	6	99
Tax on profit on ordinary activities	4	20	(33)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		26	66
Retained profit brought forward		193	127
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		219 =====	193 =====

The notes on pages 8 to 10 form part of these accounts.

# B I R C H   H O M E S   L I M I T E D


## B A L A N C E   S H E E T

as at 30th September 1991

	Notes	1991 £'000	1990 £'000
CURRENT ASSETS			
Stocks and work in progress	5	20	74
Debtors	6	207	411
Cash at bank and in hand		-	1
		<hr/>	<hr/>
		227	486
CREDITORS: Amounts falling due within one year			
	7	(8)	(293)
		<hr/>	<hr/>
NET ASSETS		219	193
		<hr/>	<hr/>
FINANCED BY:			
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		219	193
		<hr/>	<hr/>
		219	193
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 26th February 1992

  
K G W Litting

  
C J L. 1992

The notes on pages 8 to 10 form part of these accounts.



# B I R C H   H O M E S   L I M I T E D

## SOURCE AND APPLICATION OF FUNDS

for the year ended 30th September 1991

	1991		1990	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		6		00
		<u>6</u>		<u>99</u>
APPLICATION OF FUNDS				
Tax Paid		(42)		(71)
		<u>(36)</u>		<u>28</u>
		=====		=====
COMPONENTS OF INCREASE IN WORKING CAPITAL				
Stocks and work in progress	(54)		(598)	
Debtors	(204)		367	
Creditors less than one year	223		(12)	
	<u></u>	(35)	<u></u>	(243)
MOVEMENTS IN NET LIQUID FUNDS:				
Bank loans and overdrafts		-		270
Cash at Bank		(1)		1
		<u>(36)</u>		<u>28</u>
		=====		=====

# B I R C H   H O M E S   L I M I T E D

## NOTES TO THE ACCOUNTS

For the year ended 30th September 1991

### 1.    T U R N O V E R

The turnover and profit before taxation arose entirely in the United Kingdom.

### 2.    D I R E C T O R S   A N D   E M P L O Y E E S

The average number of persons (including Directors) employed by the Company during the year was:

	1991 Number	1990 Number
Production	-	1
Management and Administration	-	1
	-----	-----
	-	2
	=====	=====
The aggregate costs were:		
	£'000	£'000
Wages and salaries	-	13
Social security costs	-	1
	-----	-----
	-	14
	=====	=====

### DIRECTORS EMOLUMENTS

There were no emoluments paid in the year (1990: £3.5k)

### 3.    P R O F I T   O N   O R D I N A R Y   A C T I V I T I E S B E F O R E   T A X A T I O N

The profit on ordinary activities before taxation is stated after charging the following:-

	1991 £'000	1990 £'000
Hire of Plant and Machinery	-	4
Auditors' remuneration	1	2
	=====	=====

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## NOTES TO THE ACCOUNTS (Continued)

### 4. TAXATION

The taxation charge which is based on the results for the year, comprises:

	1991 £'000	1990 £'000
UK Corporation tax at 33% (1990: 35%)	1	33
Prior year adjustment	(21)	-
	-----	-----
	(20)	33
	=====	=====

### 5. STOCKS

	1991 £'000	1990 £'000
Stocks of Land	-	-
Work in Progress	20	-
Finished Goods	-	74
	-----	-----
	20	74
	=====	=====

### 6. DEBTORS

	1991 £'000	1990 £'000
Amounts owed by group undertakings	207	365
Other Debtors	-	46
	-----	-----
	207	411
	=====	=====

### 7. CREDITORS: Amounts falling due within one year

	1991 £'000	1990 £'000
Trade Creditors	1	1
Amounts owed to group undertakings	-	177
Corporation tax	1	63
Accruals	6	52
	-----	-----
	8	293
	=====	=====

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## NOTES TO THE ACCOUNTS (Continued)

### 8. CALLED UP SHARE CAPITAL

	1991 £	1990 £
Authorised:		
100,000 ordinary shares of £1 each	100,000 =====	100,000 =====
Allotted, called up and fully paid:		
Ordinary shares of £1 each	100 =====	100 =====

### 9. CAPITAL COMMITMENTS

There are no capital commitments (1990: £Nil)

### 10. CONTINGENT LIABILITIES

The Company is contingently liable under performance bonds totalling £13k (1990: £9k). These performance bonds relate to contracted and completed road and sewerage works.

### 11. ULTIMATE PARENT COMPANY

The ultimate parent company is Birch plc, a Company incorporated in the United Kingdom and registered in England.