

Z R Builders (Derby) Limited
Annual Report
for the year ended 31 August 1999
Company No: 02255001



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Z R Builders (Derby) Limited

Annual Report for the year ended 31 August 1999

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**Director's report
for the year ended 31 August 1999**

The director submits his report and the financial statements for the year ended 31 August 1999.

Principal activity

The profit and loss account for the year is set out on page 4.

The principal activity of the company during the year was that of builders and property developers.

Director and his interest

The director of the company at 31 August 1999, who has been a director for the whole of the year ended on that date was:

S G Brook

The director has no interest in the share capital of the company. His interest in the shares of the parent company are given in the accounts of that company.

Dividends

The director does not recommend the payment of a dividend.

Year 2000

The directors took steps to ensure that Year 2000 issues were addressed and would not materially effect operations and to date the company has experienced no Year 2000 problems.

Costs involved in ensuring Year 2000 compliance for all operating systems are not considered to be material to the operating results of the company.

Statement of Director's responsibilities

The director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 August 1999. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

Statement of Director's responsibilities (continued)

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

Special exemptions

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



D Banks
Secretary

**Auditors' report to the shareholders
of Z R Builders (Derby) Limited**

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The director is responsible for preparing the Annual Report, including as described on pages 1 to 2 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies.

PricewaterhouseCoopers

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Derby**

3 March 2000

**Profit and loss account
for the year ended 31 August 1999**

	Notes	1999 £	1998 £
Turnover	2	1,483,470	4,134
Cost of sales		(1,480,498)	(4,134)
Gross profit		2,972	-
Administrative expenses		(25,653)	(899)
Operating loss	3	(22,681)	(899)
Loss on ordinary activities before taxation		(22,681)	(899)
Taxation		5,785	-
Loss for the financial year	9	(16,896)	(899)

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the losses above.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

**Balance sheet
for the year ended 31 August 1999**

	Notes	1999 £	1998 £
Current assets			
Work in progress	5	691,671	1,211,427
Debtors	6	51,228	295,051
Cash at bank and in hand		14,175	-
		<hr/>	<hr/>
		757,074	1,506,478
Creditors: amounts falling due within one year	7	(811,635)	(1,544,143)
		<hr/>	<hr/>
Net liabilities		(54,561)	(37,665)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	(54,661)	(37,765)
		<hr/>	<hr/>
Deficiency of equity shareholders' funds	10	(54,561)	(37,665)
		<hr/>	<hr/>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 28 February 2000
and signed on behalf of the board of directors



S G Brook
Director

**Notes to the financial statements
for the year ended 31 August 1999****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The balance sheet at the year end shows that liabilities exceed assets by £54,561. The parent company, Honormead Limited, has confirmed that it will maintain its financial support for the foreseeable future to enable the company to continue normal trading operations. The financial statements are therefore drawn up on a going concern basis.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Capitalisation of interest

Interest incurred on borrowings to finance property developments is capitalised up to the date of completion of the development.

Work in progress

Work in progress is stated at the lower of cost and net realisable value and comprises total costs incurred, net of amounts transferred to the profit and loss account in respect of sales, less provisions for foreseeable losses.

Cash flow

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985 and as a consequence is exempt from the requirement to publish a cash flow statement.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Turnover

Turnover arose entirely within the United Kingdom.

Notes to the financial statements for the year ended 31 August 1999

3 Operating loss

The operating loss is stated after charging:

	1999 £	1998 £
Auditors' remuneration	1,000	1,000

4 Director's emoluments

The director received no emoluments in respect of his services to the company (1998: £Nil).

5 Work in progress

Work in progress includes £34,272 interest capitalised during the year. The total amount of interest capitalised at 31 August 1999 was £57,741. (1998 : £23,469).

6 Debtors

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	31,423	31,202
Amounts due from group undertakings	-	238,272
Other debtors	19,805	25,577
	<u>51,228</u>	<u>295,051</u>

7 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdraft and loan	-	884,536
Trade creditors	48,927	104,319
Amounts owed to group undertakings	760,830	555,002
Other creditors	1,878	286
	<u>811,635</u>	<u>1,544,143</u>

**Notes to the financial statements
for the year ended 31 August 1999**
8 Called-up share capital

	1999 £	1998 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

9 Profit and loss account

	£
At 1 September 1998	(37,765)
Loss for the year	(16,896)
	<u> </u>
At 31 August 1999	(54,661)
	<u> </u>

10 Shareholders' funds

	1999 £	1998 £
Opening shareholders' funds	(37,665)	(36,766)
Loss for the year	(16,896)	(899)
	<u> </u>	<u> </u>
Closing shareholders' funds	(54,561)	(37,665)
	<u> </u>	<u> </u>

11 Transactions with related parties

The company has taken advantage of the exemptions in FRS 8 not to report transactions with companies which are at least 90% owned by the group.

12 Capital commitments

The company had no capital commitments at 31 August 1999 (1998: Nil).

**Notes to the financial statements
for the year ended 31 August 1999**

13 Contingent liabilities

The company has given an unlimited guarantee to secure the bank borrowings of other companies in the Honormead Limited group. At 31 August 1999 total group borrowings amounted to £451,201 (1998: £935,239).

14 Ultimate controlling party

The directors regard Honormead Limited as the ultimate holding company. According to the register kept by the company, Honormead Limited has 100% interest in the equity capital of Z R Builders (Derby) Limited at 31 August 1999.

There is not considered to be any individual party controlling Honormead Limited.

A copy of the accounts of Honormead Limited can be obtained from the company's registered office.