Co House

Registered No. 2979041

DEAN HOMES LIMITED

REPORT & ACCOUNTS

For The Year Ended

31st December 1997

SPOKES & COMPANY
Hilden Park House
79 Tonbridge Road
Hildenborough
KENT
TN11 9BH

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COMPANIES HOUSE 23/04/98

DEAN HOMES LIMITED

DIRECTORS

S. Dean
A. Dean

SECRETARY

P. Holmes

REGISTERED OFFICE

Dean House
Sovereign Court
Ermine Business Park
Huntingdon
Cambridgeshire
PE18 6WA

AUDITORS

Spokes & Company
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

BANKERS

Bank of Scotland
14 Friar Lane
Leicester
LE1 5RA

DEAN HOMES LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st December 1997

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DEAN HOMES LIMITED

REPORT OF THE DIRECTOR

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st December 1997.

PRINCIPAL ACTIVITY

The Company's principal activity is that of a residential house builder. There has been no change in this activity during the course of the year.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation was £512,571 (1996: £322,800). The Directors recommend the payment of a £400,000 dividend (1996: £320,000).

The Company has achieved a significant level of growth, which is to be consolidated in the current year.

DIRECTORS

The Directors who held office throughout the year and their interests in the shares of the Company were as follows:

	£1 Ordinary Shares	
	1997	1996
S. Dean	-	-
A. Dean	-	-

The Company is a wholly owned subsidiary of Dean Corporation Plc. The interest of S. Dean, who is also a Director of the parent undertaking, in the shares of Dean Corporation Plc, are disclosed in that Company's accounts. A Dean had, at 31 December 1997, an interest in 676,000 shares of Dean Corporation Plc.

DEAN HOMES LIMITED

REPORT OF THE DIRECTORS
(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts which give a true and fair view of the state of the affairs of the Company as at its Balance Sheet date and of the profit or loss of the Company for the accounting year then ended. In preparing those accounts, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;

b) make judgements and estimates that are reasonable and prudent;

c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Messrs. Spokes & Company have expressed their willingness to continue in office as Auditors and a Resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

P. HOLMES
Secretary

31st March 1998

REPORT OF THE AUDITORS

TO THE MEMBERS OF

DEAN HOMES LIMITED

We have audited the accounts on Pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on Page 6.

Respective Responsibilities of Directors and Auditors

As described on Page 2 the Company's Directors are responsible for the preparation of the 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 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 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 the Company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Spokes & Company

Hilden Park House
79 Tonbridge Road
Hildenborough
KENT TN11 9BH
31st March 1998

SPOKES & COMPANY
Chartered Accountants
Registered Auditors

DEAN HOMES LIMITED

PROFIT & LOSS ACCOUNT

For The Year Ended 31st December 1997

	Note	1997 £	1996 £
TURNOVER	1	7,141,289	3,964,491
Cost of Sales		(5,744,521)	(3,226,909)
GROSS PROFIT		1,396,768	737,582
Administrative Expenses		(532,314)	(303,707)
Operating Profit	2	864,454	433,875
Interest Receivable		907	2,219
Interest Payable	5	(115,883)	(11,738)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		749,478	424,356
Taxation	6	(236,907)	(101,556)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		512,571	322,800
Proposed Dividend		(400,000)	(320,000)
RETAINED PROFIT FOR THE YEAR	14	112,571	2,800

All of the Company's operations are classed as continuing.

The Company has no recognised gains or losses other than the profit for the year.

The Notes on Pages 6 to 11 form part of these accounts.

DEAN HOMES LIMITED

BALANCE SHEET

As At 31st December 1997

	Note	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS					
Tangible Assets	7		12,895		10,806
CURRENT ASSETS					
Stocks & Work in Progress	8	1,656,821		1,654,174	
Debtors	9	1,766,116		535,366	
		3,422,937		2,189,540	
CREDITORS - Amounts falling due within one year:	10	(3,257,784)		(2,133,220)	
NET CURRENT ASSETS			165,153		56,320
TOTAL ASSETS LESS CURRENT LIABILITIES			178,048		67,126
CREDITORS - Amounts falling due after more than one year:	11		-		(1,649)
			178,048		65,477
CAPITAL & RESERVES					
Called Up Share Capital (All Equity)	13		100		100
Profit & Loss Account	14		177,948		65,377
	15		178,048		65,477

The Notes on Pages 6 to 11 form part of these accounts.

These accounts were approved by the Board of Directors on 31st March 1998

S. DEAN
Director

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies which have been consistently adopted in the preparation of these accounts are as follows:

Basis of Accounting
The accounts are prepared under the historical cost convention and in accordance with applicable statements of accounting practice.

Turnover
Turnover represents the value of work done for customers during the year, excluding trade discounts and VAT. Turnover arises solely in the UK.

Depreciation
Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives. The following annual rates of depreciation are used:

Motor Vehicles	-	25% Straight line
Plant & Equipment	-	25% Straight line
Fixtures & Fittings	-	25% Straight line

Stock and Work in Progress
Stocks and work in progress are valued at the lower of cost including relevant overheads and net realisable value. Work in progress includes materials and labour costs incurred on incompleted contracts at the period end. Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses.

Deferred Taxation
Deferred taxation is accounted for using the liability method on all material timing differences to extent that it is probable that liabilities or assets will crystallise. Timing differences arise from certain items being included in taxation computations in periods different from those in which they appear in the accounts.

Leased Assets
Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments made under them are charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Pension
The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS
(Continued)

2. **OPERATING PROFIT**

This is stated after charging/(crediting):

	1997	1996
	£	£
Operating Lease Rentals	27,904	20,672
Depreciation	6,259	7,031
Auditor's Remuneration	9,600	9,750
Profit on Disposal	(46)	(2,207)

3. **DIRECTORS EMOLUMENTS**

	1997	1996
	£	£
Emoluments	39,239	17,594
Pension Contributions	3,600	1,800
	42,839	19,394

One director has retirement benefits accruing to him under a money purchase scheme.

4. **STAFF NUMBERS AND COSTS**

The average number of employees during the year was as follows:

	1997	1996
Administration	8	3
Operations	7	9
	15	12

The aggregate payroll costs of the employees (including the Directors) were as follows:

	£	£
Wages & Salaries	219,793	172,022
Social Security Costs	20,847	17,546
Other Pension Costs	5,316	3,835
	245,956	193,403

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS
(Continued)

5. INTEREST PAYABLE

Interest payable and similar charges arise as follows:

	1997	1996
	£	£
Hire Purchase	344	1,477
Bank Overdraft Repayable Within 5 Years	34,119	10,261
Interest payable to group undertakings	81,420	-
	115,883	11,738

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
	£	£
Taxation based on result for the year:		
Corporation Tax @ 31%/33%	236,907	101,556

7. TANGIBLE ASSETS

	Motor Vehicle	Fixtures & Fittings	Office Equipment	Total
COST	£	£	£	£
Brought Forward	-	12,285	7,014	19,299
Additions	8,000	-	570	8,570
Disposals	-	-	(267)	(267)
Carried Forward	8,000	12,285	7,317	27,602
DEPRECIATION				
Brought Forward	-	5,866	2,627	8,493
Charge for Year	1,333	3,071	1,855	6,259
Disposals	-	-	(45)	(45)
Carried Forward	1,333	8,937	4,437	14,707
NET BOOK VALUE				
At 31st December 1997	6,667	3,348	2,880	12,895
At 31st December 1996	-	6,419	4,387	10,806

Motor vehicles includes assets held under hire purchase contracts as follows:

	£
Net book value at 31 December 1997	6,667
Net book value at 31 December 1996	-
Depreciation provided in year	1,333

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS
(Continued)

8. STOCKS & WORK IN PROGRESS

	1997	1996
	£	£
Work in Progress	754,129	421,212
Finished Stocks	902,692	1,232,962
	1,656,821	1,654,174

9. DEBTORS

	1997	1996
	£	£
Trade Debtors	655,274	160,401
Amounts Recoverable on Contracts	1,015,084	258,343
Amounts Owed by Group Undertakings	214	10,270
Other Debtors	13,308	80,247
Prepayments & Accrued Income	6,287	26,105
Director's Loan	75,949	-
	1,766,116	535,366

Included within trade debtors is £160,000 falling due after more than one year.

10. CREDITORS - Amounts falling due within one year:

	1997	1996
	£	£
Bank Overdraft	413,497	286,988
Trade Creditors	300,664	326,555
Amounts Due under Hire Purchase Contracts	2,363	9,639
Amounts Owed to Parent Undertaking	1,521,121	966,148
Corporation Tax	278,185	99,297
Social Security & Other Taxes	90,408	30,811
Proposed Dividend	400,000	320,000
Accruals & Deferred Income	251,546	93,782
	3,257,784	2,133,220

The bank overdraft is secured by an all monies debenture over all the assets of the company incorporating fixed and floating charges. Set-off is available to the bank between the company and Dean Corporation Plc and its group company members by virtue of the bank holding a debenture from each company together with a cross corporate guarantee.

11. CREDITORS - Amounts falling due after more than one year:

	1997	1996
	£	£
Finance Lease Obligations	-	1,649

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS
(Continued)

12. FINANCE LEASE OBLIGATIONS

Obligations are repayable as follows:

	1997	1996
	£	£
Within one year	2,363	9,639
After one and within two years	-	1,649
	2,363	11,288

13. SHARE CAPITAL

	1997	1996
	£	£
Authorised, allotted, called up and paid:		
100 Ordinary Shares of £1 each	100	100

14. PROFIT & LOSS ACCOUNT

	1997	1996
	£	£
Brought Forward	65,377	62,577
Retained Profit for the Period	112,571	2,800
Carried Forward	177,948	65,377

15. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS

	1997	1996
	£	£
Profit for the Period	512,571	322,800
Dividend Paid	(400,000)	(320,000)
Net Addition to Shareholders' Funds	112,571	2,800
Shareholders' Funds Brought Forward	65,477	62,677
Shareholders' Funds Carried Forward	178,048	65,477

DEAN HOMES LIMITED

NOTES TO THE ACCOUNTS
(Continued)

16. **FINANCIAL COMMITMENTS**

Amounts due in respect of other operating leases:

	1997	1996
	£	£
Expiring within one year	1,949	-
Expiring within two to five years	27,361	31,277
	29,310	31,277

17. **CONTINGENT LIABILITIES**

A cross corporate guarantee held by the bank in favour of Dean Corporation Plc and its group company members has been given by the Company for all monies owing.

18. **ULTIMATE PARENT COMPANY**

The Directors regard Dean Corporation Plc, a company requested in England and Wales, as the ultimate parent company.

Exemption is taken of related party disclosures in respect of group transactions on the grounds that details of Speymill Tripp Ltd are included in the consolidated accounts of Dean Corporation Plc.

19. **CONROLS OF THE COMPANY**

The company is under the control of the Board of Directors of Dean Corporation Plc.

20. **RELATED PARTY TRANSACTIONS**

During the year, the Company made payments on behalf of A Dean Esq, a Director of the Company, in respect of his personal liabilities. At the year end there was a balance outstanding of £75,949 from A Dean Esq, which is included in debtors. The maximum amount of the loan during the year was £179,949. Interest is payable on this loan at commercial rates.

A Family Trust of which S Dean, (a Director of the Company), is settlor and a Co Trustee purchased a house from the Company. Mr. S Dean holds no beneficial interest in this Trust. The transaction was at normal market value.