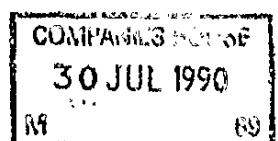


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LAING RETIREMENT HOMES LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1989



# LAING RETIREMENT HOMES LIMITED

## DIRECTORS' REPORT

THE DIRECTORS submit their report and financial statements for the year ended 31 December 1989.

### REVIEW OF THE YEAR

The profit for the year before taxation was £1,818,433 and after provision for taxation of £637,674 the revenue surplus was £1,180,759.

The directors do not recommend the payment of a dividend.

Through its two main activities - Retirement Homes and Special Projects, the Company achieved in its second year 521 conveyances. With effect from 1 January 1990 the trade of the company has been transferred to its immediate parent company and is now operating as a division of Laing Homes Limited.

### ACTIVITIES

The principal activity of the company is the construction and sale of retirement homes.

### DIRECTORS

The directors at any time during the year were:

J.F. Horne	
P. Boys	
P.R. Williams	- resigned 24 September 1989
W.T. Dennison	- resigned 29 September 1989
I.H.D. Jones	
A. Thomson	
W.E. Patrickson	
J.D. Bottom	
P.O. Mulligan	- resigned 3 November 1989
I. Courts	- appointed 13 October 1989

### DIRECTORS' SHAREHOLDINGS

The directors' interests in the shares of John Laing plc, including family and non-beneficial interests, as required by the Companies Act 1985 were:

	On 1 January 1989		On 31 December 1989	
	Ordinary 25p	Ordinary A 25p	Ordinary 25p	Ordinary A 25p
P. Boys	3,000	500	-	-
W.E. Patrickson	-	-	2,042	102

The interests of A. Thomson, I.H.D. Jones, J.F. Horne and I. Courts, being also directors of the company's immediate parent company, Laing Homes Limited, are recorded in the register maintained by that company.

The interests of J.D. Bottom, being also a director of John Laing plc, are recorded in the register maintained by that company.

# LAING RETIREMENT HOMES LIMITED

## DIRECTORS' REPORT (Continued)

### EMPLOYEES

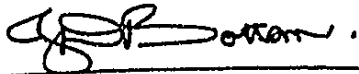
It is the policy of the Company to employ and train disabled people whenever their skills and qualifications allow and when suitable vacancies are available. If existing employees become disabled, every effort is made to find them appropriate work, and training is provided if necessary.

The Company has always encouraged employees to feel involved both in their local activities and in the Group's overall operations. This is achieved through formal and informal meetings, periodic attitude surveys and the wide distribution of a range of company publications. The Group's monthly newspaper "Team Spirit" welcomes contributions from employees. A financial report for employees is produced each year.

### AUDITORS

On 1 January 1990 our auditors changed the name under which they practise to KPMG Peat Marwick McLintock, and accordingly have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG Peat Marwick McLintock as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the board



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J.D. BOTTOM  
CHAIRMAN  
22 March 1990

LAING RETIREMENT HOMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1989

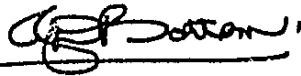
	Notes	1989 £	1988 £
Turnover	1	28,875,830	34,215,478
Variation in stock of finished goods and non-contracting work in progress		24,375,622	16,335,850
Operating costs	2	(51,264,951)	(45,451,582)
Trading profit		1,986,501	5,099,746
Interest paid		(168,068)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,818,433	5,099,746
Taxation on ordinary activities	4	(637,674)	(3,171,062)
RETAINED PROFIT FOR THE YEAR	9	1,180,759	1,928,684

LAING RETIREMENT HOMES LIMITED

BALANCE SHEET AT 31 DECEMBER 1989

	Notes	1989 £	1988 £
<b>CURRENT ASSETS</b>			
Stocks and work in progress	5	40,711,472	16,335,850
Debtors	6	1,795,862	603,617
Cash at bank and in hand		349,386	6,922
		<u>42,856,720</u>	<u>16,946,389</u>
<b>CREDITORS: amounts falling due within one year</b>	7	39,746,277	15,016,705
		<u>3,110,443</u>	<u>1,929,684</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital			
Authorised, allotted, called up and paid 1,000 shares of £1 each		1,000	1,000
Profit and loss account	9	3,109,443	1,928,684
		<u>3,110,443</u>	<u>1,929,684</u>

For and on behalf of the board

x 

J.D. BOTTOM )



A. THOMSON )

) DIRECTORS

22 March 1990

# LAING RETIREMENT HOMES LIMITED

## NOTES

(forming part of the financial statements)

### 1. ACCOUNTING POLICIES

#### (a) Turnover

Turnover represents the value of house and land sales, and of long term contracts.

Profit on house and land sales is recognised at the point of legal completion.

#### (b) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost for this purpose includes all overheads other than those relating to the general administration of the business.

#### (c) Taxation

The charge for taxation takes into account taxation deferred because of timing differences in the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is not made unless there is reasonable evidence that it will be payable in the foreseeable future.

#### (d) Pensions costs

These are provided systematically over the average remaining future service lives of employees.

### 2. ITEMS IN PROFIT AND LOSS ACCOUNT

	1989 £	1988 £
Auditors' remuneration and expenses were	11,343	5,350
Hire of plant and machinery, relating mainly to short term hire of equipment used on construction sites amounted to	844,142	498,311
Operating costs, comprised:		
Raw materials and consumables	18,239,447	19,727,069
Other external charges	30,325,680	23,676,209
Employee costs		
Wages and salaries	2,298,950	1,774,400
Social security costs	174,750	119,062
Other pension costs	226,124	154,842
	51,264,951	45,451,582
Average number of employees	176	131

# LAING RETIREMENT HOMES LIMITED

## NOTES (Continued)

### 3. EMOLUMENTS OF DIRECTORS

Directors of this company who are also directors of John Laing plc are remunerated by that company. The remuneration of the other directors was:

	1989	1988
Directors' emoluments, including contributions to pension schemes, amounted to	<u>£73,378</u>	<u>£42,222</u>

Emoluments, excluding pension contributions and those whose duties were discharged mainly outside the United Kingdom, were:

The remuneration of the chairman was	£ Nil	£ Nil
The remuneration of the highest paid director was	£33,967	£38,755

The number of other directors and employees who received remuneration within the following ranges was:

Directors:	£0	-	£5,000	7	8
Employees:	£35,001	-	£40,000	-	1
	£40,001	-	£45,000	1	1
	£50,001	-	£55,000	1	-

The company is a member of the John Laing Group which operates a number of pension schemes, all of which are of the defined benefit type. The assets of these schemes are held in separate trustee administered funds. Contributions to the schemes are assessed in accordance with the advice of a qualified actuary using the attained age method. The pension costs disclosed in these accounts are based on an actuarial review of the schemes as at 31 March 1989. The principle assumptions underlying the actuarial review were that the return on the funds' investments would average 9.0% a year in future, salaries would increase at the rate of 8.0% a year and pensions would be increased in payment at 5.0% a year.

At the date of the latest actuarial review, the market value of the assets of the schemes was £235.3 million and the actuarial value of those assets represented 155% of the benefits that had accrued to members.

### 4. TAXATION ON ORDINARY ACTIVITIES

	1989	1988
The taxation charge comprises:	£	£
Corporation tax at 35%	637,674	-
Group relief	-	3,171,062
	<u>637,674</u>	<u>3,171,062</u>

# LAING RETIREMENT HOMES LIMITED

## NOTES (Continued)

### 5. STOCKS AND WORK IN PROGRESS

	31 December 1989 £	31 December 1988 £
Land and buildings held for or in course of development at cost	40,711,472	16,335,850

### 6. DEBTORS

	31 December 1989 £	31 December 1988 £
Trade debtors	1,795,862	603,617

Included in this total is an amount of £23,000 due in more than one year.

### 7. CREDITORS

	31 December 1989 £	31 December 1988 £
Due within one year:		
Trade creditors	640,602	548,527
Taxation	637,674	-
Accruals and deferred income	2,674,207	1,528,318
Amounts owed to group companies	35,793,794	12,939,860
	39,746,277	15,016,705

### 8. GUARANTEES

The company has given guarantees of a normal trading nature, including performance bonds, and is also party with eight other group companies to cross guarantees of each other's borrowings. At 31 December 1989 there were no net borrowings.

### 9. PROFIT AND LOSS ACCOUNT

	1989 £	1988 £
Balance at 1 January	1,928,684	-
Retained profit for the year	1,180,759	1,928,684
Balance at 31 December	3,109,443	1,928,684



# LAING RETIREMENT HOMES LIMITED

## NOTES (Continued)

### 10. ULTIMATE HOLDING COMPANY

The company is a member of the John Laing group of companies, its ultimate holding company being John Laing plc, a company incorporated in England.

### 11. SOURCE AND APPLICATION OF FUNDS STATEMENT

A statement of source and application of funds has not been produced. The directors consider such a statement would not be helpful as the company is a wholly owned subsidiary of John Laing plc and its funds are therefore managed as part of the John Laing group funds. A group statement of source and application of funds is included in the accounts of John Laing plc.

### AUDITORS' REPORT

To the members of Laing Retirement Homes Limited

We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1989 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to the fact that the financial statements do not include a statement of source and application of funds and thus do not comply with Statement of Standard Accounting Practice No. 10 for the reason explained in note 11.

*KPMG Peat Marwick McLintock*

KPMG PEAT MARWICK McLINTOCK  
Chartered Accountants  
London  
22 March 1990