

**Ward Holdings Limited**  
**Directors' report and financial statements**  
**31 December 2003**  
**Registered Number: 300534**



# Ward Holdings Limited

## Directors' report and financial statements

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# Ward Holdings Limited

## Directors' report

The directors present their annual report and the audited financial statements for the fourteen months ended 31 December 2003.

### Principal activities, review of development prospects

The Company is a holding company.

On 14 November 2003 the group headed by Ward Homes Group Limited which includes this company, was acquired by Wilson Bowden Plc. Following this the accounting reference date was changed to 31<sup>st</sup> December, to comply with the new parent company. Accordingly, these financial statements present the results for the fourteen months ended 31 December 2003.

### Proposed dividend and transfer to reserves

The results for the period are set out in the profit and loss account on page 4. The directors do not propose the payment of a dividend (2002: £nil).

### Directors and directors' interests

The directors who held office throughout the period (except as noted) were as follows:

P.D. Holliday O.B.E.	(Chairman)	(resigned 14 Nov 2003)
M.R. Lethaby		(resigned 15 Jan 2004)
J.M. Williams		(resigned 14 Jan 2003)
R.J.R. Brooke		(appointed 14 Nov 2003)
G.M. Brown		(appointed 14 Nov 2003)
I. Robertson		(appointed 14 Nov 2003)
M.J. Stansfield		(appointed 14 Nov 2003)
N.J. Townsend		(appointed 14 Nov 2003)

None of the directors who held office at the end of the financial period had any disclosable interests in the shares of the company.

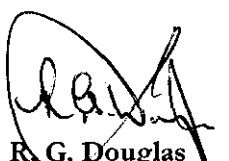
### Political and charitable contributions

The company made no political contributions during the period. Donations to UK charities amounted to £nil.

### Auditors

On 1<sup>st</sup> August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1<sup>st</sup> August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board

  
**R.G. Douglas**  
**Secretary**  
26 October 2004

# Ward Holdings Limited

## Statement of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of that financial year and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements 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 financial statements 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.

# Ward Holdings Limited

## Independent Auditors' Report to the Members of Ward Holdings Limited

We have audited the financial statements of Ward Holdings Limited for the fourteen months ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 1985. We also report if, in our opinion, the directors' 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 directors' remuneration and transactions with the company and is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

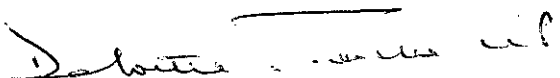
### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 affairs of the company as at 31 December 2003 and of the profit for the fourteen months then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Birmingham

26 October 2004

# Ward Holdings Limited

## Profit and Loss account

*Fourteen months ended 31 December 2003*

	Note	Fourteen months ended 31 December 2003 £'000	Year ended 31 October 2002 £'000
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(35)	(23)
<b>Loss before interest and taxation</b>		(35)	(23)
Net interest receivable	3	107	20
<b>Profit/(Loss) on ordinary activities before taxation</b>		72	(3)
Tax charge/(credit) on profit/(loss) on ordinary activities	4	-	1
<b>Retained profit/(loss) on ordinary activities after taxation</b>	9	72	(2)

All operations are continuing.

The company has no recognised gains and losses in either 2003 or 2002 other than those reported in the profit and loss account above.

# Ward Holdings Limited

## Balance sheet

as at 31 December 2003

	Note	31 December 2003		31 October 2002	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	5		2,870		2,870
<b>Current assets</b>					
Debtors	6	11,186		3,160	
Cash at bank and in hand		2		10,560	
		<u>11,188</u>		<u>13,720</u>	
<b>Creditors: amount falling due within one year</b>	7	<u>(7,225)</u>		<u>(9,829)</u>	
<b>Net current assets</b>			3,963		3,891
<b>Net assets</b>			<u>6,833</u>		<u>6,761</u>
<b>Capital and reserves</b>					
Called up share capital	8		5,317		5,317
Share premium account			199		199
Profit and loss account	9		<u>1,317</u>		<u>1,245</u>
<b>Equity shareholder's funds</b>	10		<u>6,833</u>		<u>6,761</u>

These financial statements were approved by the Board of Directors on 26 October.2004 and were signed on its behalf by:



R.J.R Brooke  
**Director**

26 October.2004

# Ward Holdings Limited

## Notes to the accounts

Fourteen months ended 31 December 2003

### 1. Accounting policies

The following accounting policies have been adopted by the directors in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention. These financial statements present information about the company as an individual and not as a group undertaking.

#### *Group accounts*

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. Therefore these financial statements present the results of the company only.

#### *Taxation*

Corporate tax is provided on taxable profits at the current rate.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered.

Deferred tax assets and liabilities are not discounted.

#### *Investments*

Shares in the subsidiary companies are shown at cost. In the directors' opinion, the aggregate value of the assets of subsidiary undertakings is not less than the value at which the investment is shown in the balance sheet.

### 2. Remuneration of Directors and auditors

Directors' and auditors' remuneration was borne by the ultimate parent company in the current and preceding financial year and disclosed in the accounts of that company. It is not practicable to split these between group companies.

The company has no direct employees.

### 3. Net interest receivable

	Fourteen months ended 31 December 2003 £'000	Fourteen months ended 31 December 2003 £'000	Year ended 31 October 2002 £'000	Year ended 31 October 2002 £'000
Interest receivable				
On bank deposits	(134)	(134)	(54)	(54)
Interest payable and similar charges				
Intercompany interest charge	27		28	
On bank loans and overdrafts	-	27	6	34
		(107)		(20)



# Ward Holdings Limited

## Notes to the accounts *(continued)*

Fourteen months ended 31 December 2003

### 4. Tax on profit (loss) on ordinary activities

	Fourteen months ended 31 December 2003 £'000	Year ended 31 October 2002 £'000
UK Corporation Tax at 30%(2002: 30%)	-	(1)
	<hr/>	<hr/>
	-	(1)

The tax assessed for the year is lower (2002: higher) than that resulting from applying the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained below:

	Fourteen months ended 31 December 2003 £'000	Year ended October 2002 £'000
Profit/(Loss) on ordinary activities before taxation	72	(3)
Tax at 30% thereon	22	(1)
Effects of		
Expenses not deductible for tax purposes	4	-
Capital allowances in excess of depreciation	-	-
Utilisation of tax losses	(26)	-
	<hr/>	<hr/>
Actual amount of current tax	-	(1)

# Ward Holdings Limited

## Notes to the accounts *(continued)*

Year ended 31 December 2003

### 5. Investments

	31 December 2003 £'000
Cost at 1 Jan 2002 and 1 Jan 2003	3,302
Impairment at 1 Jan 2002 and 1 Jan 2003	(432)
Net book value at 31 Dec 2002 and 31 Dec 2003	<u>2,870</u>

Subsidiary undertakings are as follows:

Subsidiary undertakings	Country of incorporation and operation	Activity	Proportion of ordinary shares held
Ward Homes Limited	Great Britain	Housebuilding	100%
Ward Brothers (Gillingham) Limited	Great Britain	Dormant	100%
Anvil Plant Hire Limited	Great Britain	Plant Hire	100%
Wards Construction (Investments) Limited	Great Britain	Industrial/commercial property development	100%
Ward Homes (South Eastern) Limited	Great Britain	Housebuilding	100%
City Farms Investments Limited	Great Britain	Dormant	100%
Ward Homes (London) Limited	Great Britain	Housebuilding	100%
Ward Homes (North Thames) Limited†	Great Britain	Housebuilding	100%
Wards Construction (Industrial) Limited†	Great Britain	Property Trading	100%
Affordable Housing Co. Limited	Great Britain	Dormant	100%
Ward Country Houses Limited	Great Britain	Dormant	100%
Ward Insurance Services Limited	Great Britain	Insurance	100%
Castle Village Limited	Great Britain	Housebuilding	100%
Castle Village Investments Limited	Great Britain	Housebuilding	100%
Ward (Showhomes) Limited	Great Britain	Housebuilding	100%

† held indirectly

### 6. Debtors

	31 December 2003 £'000	31 October 2002 £'000
Amounts owed by group undertakings	<u>11,186</u>	<u>3,160</u>

### 7. Creditors: amounts falling due within one year

	31 December 2003 £'000	31 October 2002 £'000
Amounts owed to group undertakings	6,968	8,961
Other taxes and social security	2	3
Bank overdraft	1	1
Deferred consideration	250	250
Accruals and deferred income	4	614
	<u>7,225</u>	<u>9,829</u>

The deferred consideration loan notes are interest free.

# Ward Holdings Limited

## Notes to the accounts *(continued)*

Year ended 31 December 2003

### 8. Share capital

	31 December 2003 £'000	31 October 2002 £'000
<i>Authorised</i>		
70,000,000 Ordinary shares of 10p each	<u>7,000</u>	<u>7,000</u>
<i>Allotted, called up and fully paid</i>		
53,172,108 Ordinary shares of 10p each	<u>5,317</u>	<u>5,317</u>

### 9. Reserves

	Profit and loss account £'000
31 October 2002	1,245
Retained profit for the financial period	<u>72</u>
31 December 2003	<u>1,317</u>

### 10. Reconciliation of movements in shareholder's funds

	31 December 2003 £'000	31 October 2002 £'000
Profit for the financial period	72	(3)
Opening shareholder's funds	6,761	6,764
Closing shareholder's funds	<u>6,833</u>	<u>6,761</u>

### 11. Ultimate parent company

The company is a subsidiary undertaking of Kealoha II Limited. Its ultimate parent company and ultimate controlling party is Wilson Bowden Plc, registered in England and Wales, which is the parent undertaking of the smallest and largest group which includes the company and for which group financial statements are prepared. The financial statements of Wilson Bowden plc are available from the Company Secretary at Wilson Bowden House, Leicester Road, Ibstock, Leicester, LE67 6WB.

### 12. Statement on related party transactions

The company is exempt from the requirements of the Financial Reporting Standard 8 ("Related Party Disclosures") insofar as it refers to transactions with fellow Group companies, as it is a wholly-owned subsidiary of Wilson Bowden Plc.