

# **Ward Holdings Limited**

## **Annual report**

**For the year ended 30 June 2009**

**Registered Number: 300534**

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# Ward Holdings Limited

## Directors' report for the year ended 30 June 2009

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2009

This Directors' Report has been prepared taking advantage of the small companies exemption in accordance with Section 415A of the Companies Act 2006

### Principal activities, review of business and future outlook

The Company is the holding company for a group that was engaged in house building. On 30 June 2008, the house building trade assets and liabilities of its two largest subsidiaries (Ward Homes Limited and Ward Homes (North Thames) Limited) were substantially all transferred to a fellow subsidiary of Barratt Developments PLC, BDW Trading Limited. The Directors do not expect the Company to resume trading in the foreseeable future.

### Results and dividends

The Company made a profit before tax of £nil (2008 £3,653,000). The Directors do not recommend the payment of a dividend. In the year ended 30 June 2008 an interim dividend of 4.45p per share amounting to £2,365,000 was paid on 31 October 2007. A further special interim dividend of 2.24p per share amounting to £1,192,000 was paid on 29 May 2008. At 30 June 2008 no final dividend was proposed. The aggregate dividends on the ordinary shares recognised as an expense during the year ended 30 June 2008 amounted to £3,557,000 (2009 £nil).

### Directors

The Directors who held office throughout the year and to the date of this report were as follows

S J Boyes	
R J R Brooke	
M S Clare	
L Dent	
C Fenton	
M A Pain	(resigned 21 July 2009)
D F Thomas	(appointed 21 July 2009)

S J Boyes, M S Clare, L Dent, C Fenton, D F Thomas and M A Pain (until his resignation on 21 July 2009) have indemnities from the ultimate parent company, Barratt Developments PLC, details of which are included in the Annual Report and Accounts of that company which do not form part of this report. The Company has not entered into a deed of indemnity with the Directors.

### Post balance sheet event

On 23 September 2009, the ultimate parent company, Barratt Developments PLC, entered into an agreement with UBS Limited, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, Barclays Bank plc, Lloyds TSB Bank plc and RBS Hoare Govett Limited to fully underwrite a £720.5m equity issue, to be structured as a Placing and a Rights Issue.

Barratt Developments PLC shareholder approval for the Placing and the Rights Issue was granted at a General Meeting held on 19 October 2009 and the Placing shares and new ordinary shares issued under the Rights Issue (in nil paid form) were admitted to listing and trading on 20 October 2009.

Barratt Developments PLC and its subsidiaries (the 'Group') has also entered into amended financing arrangements which came into effect on 16 November 2009.

# Ward Holdings Limited

## Directors' report for the year ended 30 June 2009 (continued)

### Going concern

The Company's main assets are debts from other Group companies, and the financial position of the Company is therefore dependent upon the performance of the Group. The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. At 30 June 2009, the net debt position of the Group was £1,276.9m, with loans and borrowings of £1,484.1m with headroom of £800.0m to the Group's committed facilities. The Group has announced that the net debt position at 31 December 2009, subsequent to the Placing and Rights Issue and ongoing trading, was approximately £610m.

Following approval of the Placing and the Rights Issue by the shareholders of Barratt Developments PLC on 19 October 2009 and admission to listing and trading of the Barratt Developments PLC shares issued pursuant to the Placing and the Rights Issue on 20 October 2009 the amended Group financing arrangements came into effect on 16 November 2009.

While there have been encouraging signs experienced in the current financial year in relation to reservation rates and prices being ahead of internal expectations, these remain subject to continued uncertainty in the wider economic climate and there is unlikely to be a sustained recovery in the UK housing market until mortgage finance is more readily available particularly in the higher loan to value segment and consumer confidence is more fully restored.

The Directors believe the proceeds from the Placing and the Rights Issue, together with the amended financing arrangements, will enable the Group to take advantage of opportunities that may arise in a recovering market, as well as to provide an appropriate alternative framework, should a further downturn arise.

Accordingly, the Directors have formed the conclusion that it is appropriate to prepare the financial statements on a going concern basis.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

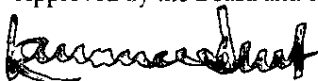
### Disclosure of information to auditors

Each Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by



L. Dent

Director

27 January 2010

# Independent auditors' report to the members of Ward Holdings Limited

We have audited the financial statements of Ward Holdings Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

## Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.

*G. Richardson*

Graham Richardson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
27 January 2010

## Ward Holdings Limited

### Profit and loss account for the year ended 30 June 2009

	Note	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Turnover	1	-	3,557
Operating profit		-	3,557
Interest receivable		-	96
Profit on ordinary activities before taxation	2	-	3,653
Tax on profit on ordinary activities	3	(27)	(3)
(Loss)/profit on ordinary activities after taxation	9,10	(27)	3,650

The accompanying notes form an integral part of this profit and loss account

All activities of the Company are continuing

There is no material difference between the profit on ordinary activities before taxation for the years stated above and the historical cost equivalent

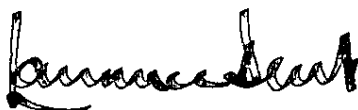
The Company has no recognised gains and losses other than those reported above. Accordingly no statement of total recognised gains and losses is presented

# Ward Holdings Limited

## Balance Sheet as at 30 June 2009

	Note	30 June 2009		30 June 2008	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	5		2,567		2,567
<b>Current assets</b>					
Debtors	6	47,376		47,403	
<b>Creditors: amount falling due within one year</b>	7	<u>(43,098)</u>		<u>(43,098)</u>	
<b>Net current assets</b>			4,278		4,305
<b>Total assets less current liabilities</b>			6,845		4,305
<b>Net assets</b>			<u>6,845</u>		<u>6,872</u>
<b>Capital and reserves</b>					
Called up share capital	8		5,317		5,317
Share premium account	9		199		199
Profit and loss account	9		<u>1,329</u>		<u>1,356</u>
<b>Shareholder's funds</b>	10		<u>6,845</u>		<u>6,872</u>

The accounts on pages 4 to 10 of Ward Holdings Limited, registered number 300534, were approved by the Board of Directors on 27 January 2010 and signed on its behalf by



L Dent  
Director

# Ward Holdings Limited

## Notes to the Financial Statements for the year ended 30 June 2009

### 1 Accounting policies

#### *Basis of preparation*

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year and preceding year (where applicable), are detailed below.

#### *Going concern*

The Directors have formed the conclusion that it is appropriate to prepare the financial statements upon a going concern basis as set out in the going concern section of the Directors' Report.

#### *Group accounts*

The financial statements contain information about Ward Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Barratt Developments PLC, a company registered in England.

#### *Cash flow statement*

The Company is a wholly owned subsidiary of Barratt Developments PLC and the cash flows of the Company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

#### *Turnover*

Turnover comprises dividends received from its subsidiary companies.

#### *Tax*

UK Corporation 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 subsidiary companies are stated at cost less any impairment. 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.

# Ward Holdings Limited

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 2 Profit on ordinary activities before tax

#### a) Remuneration of Directors and auditors

R J R Brooke is a Director of Ward Homes Limited and his emoluments are disclosed in that company's accounts which do not form part of this report. S J Boyes, M S Clare, C Fenton and M A Pain (until his resignation on 21 July 2009) are Directors of Barratt Developments PLC and their emoluments are disclosed in that company's accounts which do not form part of this report. L Dent received no emoluments from the Company, he is employed and remunerated by Barratt Developments PLC. No director received separate emoluments in respect of their service to this Company. It is not practicable to allocate the emoluments for the Directors between their services as a Director of Ward Holdings Limited and other Group companies. The Company has no direct employees. In addition, two Directors (2008: two) have accrued benefits under the Barratt Developments PLC group pension scheme which is a defined benefit scheme.

Fees payable to the Company's auditors for the audit of the Company's annual accounts were borne by another Group company and amounted to £2,000 in the current year (2008: £3,000). There were no non-audit services provided to the Company by the auditors in either year.

#### b) Interest receivable

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Interest receivable on loans from group undertakings	-	96

The interest in the prior year related to the reversal of an unused provision for interest payable which the Directors considered to be no longer required.

### 3 Tax on profit on ordinary activities

#### a) Analysis of charge in the year

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
<b>Current tax</b>		
UK corporation tax on profits for the year	-	28
UK corporation tax on profits for the prior year	-	(27)
	-	1
<b>Deferred tax</b>		
Origination and reversal of timing differences	27	-
Due to changes in tax rates	-	2
Tax on profit on ordinary activities	27	3

#### b) Factors affecting the tax charge for the year

The tax rate assessed for the year is equal to (2008: lower than) that resulting from applying the standard rate of corporation tax in the UK of 28% (2008: 29.5%).

The difference is explained below:

	Year to 30 June 2009 £	Year to 30 June 2008 £
Profit on ordinary activities before taxation	-	3,653
Tax at 28.0% (2008: 29.5%) thereon	-	1,078
Effect of:		
Dividend income not subject to corporation tax	-	(1,049)
Group relief received from former fellow subsidiary	-	(28)
Current tax charge	-	1

# Ward Holdings Limited

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 3 Tax on profit on ordinary activities (continued)

Legislation on the taxation of foreign profits received Royal Assent on 21 July 2009. These rules include provisions to restrict interest deduction on intra-group loans, which will apply to accounting periods starting on or after 1 January 2010. Where interest deductions are restricted under these new rules in one Group company, the legislation includes the scope to claim an adjustment in the corresponding company and the flexibility to allocate the interest deductions across the Group in order to prevent losses becoming trapped. As a result it is not envisaged that these rules will impact on the Group's future tax charge.

### 4 Dividends

	Year ended 30 June 2009	Year ended 30 June 2008
	£'000	£'000
2009 nil (2008 interim dividend of 4.45p per share paid 31 October 2007)	-	2,365
2009 nil (2008 interim dividend of 2.24p per share paid 29 May 2008)	-	1,192
	<u>-</u>	<u>3,557</u>

No final dividend payment is proposed for 2009 (2008 nil)

### 5 Investments

	£'000
Cost at 1 July 2008 and 30 June 2009	3,302
Impairment at 1 July 2008 and 30 June 2009	(735)
Net book value at 1 July 2008 and 30 June 2009	<u>2,567</u>

Subsidiary undertaking † held indirectly	Country of incorporation and operation	Activity	Proportion of ordinary shares held
C V (Ward) Limited	Great Britain	Dormant	100%
Ward (Showhomes) Limited	Great Britain	Dormant	100%
Ward Brothers (Gillingham) Limited	Great Britain	Dormant	100%
Ward Country Houses Limited	Great Britain	Dormant	100%
Ward Homes (London) Limited	Great Britain	Dormant	100%
Ward Homes (North Thames) Limited †	Great Britain	Dormant	100%
Ward Homes (South Eastern) Limited	Great Britain	Dormant	100%
Ward Homes Limited	Great Britain	Dormant	100%
Ward Insurance Services Limited	Great Britain	Dormant	100%
Wards Construction (Industrial) Limited †	Great Britain	Dormant	100%
Wards Construction (Investments) Limited	Great Britain	Dormant	100%

### 6 Debtors

	30 June 2009	30 June 2008
	£'000	£'000
Amounts owed by Group undertakings	47,376	47,376
Deferred tax (note 11)	-	27
	<u>47,376</u>	<u>47,403</u>

Amounts due from Group undertakings are interest free and repayable on demand.

There is no unprovided deferred taxation at the end of either the current year or the prior period.

# Ward Holdings Limited

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 7 Creditors amounts falling due within one year

	30 June 2009 £'000	30 June 2008 £'000
Amounts owed to Group undertakings	43,098	43,097
Corporation tax	-	1
	<u>43,098</u>	<u>43,098</u>

Amounts owed to Group undertakings are interest free and repayable on demand

### 8 Share capital

	30 June 2009 £'000	30 June 2008 £'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	Share premium account £'000	Total £'000
At 30 June 2008	1,356	199	1,555
Loss for the year	(27)	-	(27)
At 30 June 2009	<u>1,329</u>	<u>199</u>	<u>1,528</u>

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

	30 June 2009 £'000	30 June 2008 £'000
At 30 June 2008	6,872	6,779
Dividends	-	(3,557)
(Loss)/retained profit for the year	<u>(27)</u>	<u>3,650</u>
At 30 June 2009	<u>6,845</u>	<u>6,872</u>

# Ward Holdings Limited

## Notes to the Financial Statements for the year ended 30 June 2009 (continued)

### 11 Deferred tax asset

	£'000
Balance at 1 July 2008	27
Movement in the period (note 3)	(27)
Balance at 30 June 2009	-

### 12 Ultimate parent company

The immediate parent company is Kealoha 11 Ltd, a company incorporated in Great Britain and registered in England

The ultimate parent company and controlling party is Barratt Developments PLC, a company incorporated in Great Britain and registered in England. Copies of this parent's consolidated financial statements are available from the Company Secretary at Barratt House, Cartwright Way, Forest Business Park, Bardonia Hill, Coalville, Leicestershire, LE67 1UF

The largest and smallest group within which the Company is consolidated is Barratt Developments PLC

### 13 Related party transactions

The Company has taken advantage of the exemption allowed by Financial Reporting Standard Number 8 ('FRS 8') 'Related party disclosures' not to disclose details of transactions with Group companies

The revised FRS 8, effective for years beginning on or after 6 April 2008 provides exemption for disclosure of transactions between two or members of a group, provided that all subsidiaries which are party to transactions are wholly-owned by the group. Under the 1985 Act this exemption was available for 90 per cent subsidiaries

### 14 Post balance sheet event

On 23 September 2009, the ultimate parent company, Barratt Developments PLC, entered into an agreement with UBS Limited, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, Barclays Bank plc, Lloyds TSB Bank plc and RBS Hoare Govett Limited to fully underwrite a £720.5m equity issue, to be structured as a Placing and a Rights Issue

Barratt Developments PLC shareholder approval for the Placing and the Rights Issue was granted at a General Meeting held on 19 October 2009 and the Placing shares and new ordinary shares issued under the Rights Issue (in nil paid form) were admitted to listing and trading on 20 October 2009

Barratt Developments PLC and its subsidiaries (the 'Group') has also entered into amended financing arrangements which came into effect on 16 November 2009