

Wainhomes Developments Limited
Directors' report and financial
statements

Registered number 3703026
30 June 2012



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditor's report to the members of Wainhomes Developments Limited	4
Profit and loss account	6
Balance sheet	7
Notes	8

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

Principal activities

The principal activity of the company is residential development

Business review

The company had a successful year obtaining a resolution to grant planning permission on a major strategic site at Moss Lane, Walkden

The company secured a number of option sites which it is promoting for residential development

Risk, uncertainties and internal control

The company has a monthly board meeting at which performance is monitored against detailed budgets and revised forecasts are updated monthly. This monthly meeting reviews financial, sales production, health and safety, and site valuations.

A standard form of appraisal consisting of marketing, technical and financial appraisal is prepared to support the acquisition of the development sites. The company engages independent solicitors to carry out the legal due diligence and the report of that solicitor is included with the appraisal.

The company operates a rolling quarterly valuation programme on its development sites with variances to budget build costs reconciled.

The company employs an independent specialist safety consultant to monitor and report on health and safety on its developments. In addition to this, the company had a full health and safety audit carried out by the independent health and safety consultant.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts.

Proposed dividend and transfer to reserves

The directors do not recommend payment of a dividend (2011 £nil)

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

W Ainscough
SJ Owen
S Robinson

Liability insurance

The group maintains directors' and officers' liability insurance for directors and officers of the company

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board


Andrew Savage
Secretary

Cedarwood 2
Kelvin Close
Birchwood
Warrington
WA3 7PB

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of Wainhomes Developments Limited

We have audited the financial statements of Wainhomes Developments Limited for the year ended 30 June 2012 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent auditor's report to the members of Wainhomes Developments Limited *(continued)*

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

HP Jones

**HP Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants
St James' Square
Manchester
M2 6DS*

19 September 2012.

Profit and loss account
for the year ended 30 June 2012

	<i>Note</i>	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Marketing and administrative expenses		(267)	(286)
		<hr/>	<hr/>
Operating loss		(267)	(286)
Interest received	5	44	35
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(223)	(251)
Tax on loss on ordinary activities	6	57	69
		<hr/>	<hr/>
Retained loss for the year		(166)	(182)
		<hr/> <hr/>	<hr/> <hr/>

Notes on pages 8 to 14 form an integral part of the financial statements

The company has no recognised gains or losses for the years ending in 2012 or 2011 other than the loss for those periods, therefore no statement of comprehensive income is presented

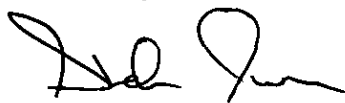
A reconciliation of movements in shareholders' funds is given in note 13

Balance sheet
at 30 June 2012

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	7	29	13
		<u>29</u>	<u>13</u>
Current assets			
Stocks	8	930	492
Debtors	9	59	71
Bank and Cash		509	1,191
		<u>1,498</u>	<u>1,754</u>
Creditors amounts falling due within one year	10	(76)	(150)
Net current assets		<u>1,422</u>	<u>1,604</u>
Total assets less current liabilities		<u>1,451</u>	<u>1,617</u>
Net assets		<u>1,451</u>	<u>1,617</u>
Capital and reserves			
Called up share capital	11	2,001	2,001
Profit and loss account	12	(550)	(384)
Equity shareholders' funds	13	<u>1,451</u>	<u>1,617</u>

Notes on pages 8 to 14 form an integral part of the financial statements

These financial statements were approved by the board of directors on 12 September 2012 and were signed on its behalf by



SJ Owen
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards using the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below

The company is exempt from the requirement by Financial Reporting Standard 1 to prepare a cash flow statement, as 100% of the voting rights of the company's shares are controlled by Wain Group Holdings Limited. The consolidated financial statements of Wain Group Holdings Limited, which include the company, are publicly available

The company is exempt from the requirement of Financial Reporting Standard 8 to disclose related party transactions with Wain Group Holdings Limited and its associated undertakings on the grounds that it is a wholly owned subsidiary of Wain Group Holdings Limited

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts

Fixed assets and depreciation

Depreciation is provided by the group to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows

Motor vehicles - 4 years

Stocks and work in progress

Land includes sites owned outright and amounts relating to sites where contracts have been exchanged, but completion is subject to detailed planning permission being received

Stocks and work in progress are stated at the lower of cost and net realisable value and include where appropriate, an element of site overheads

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed by the balance sheet date, except as otherwise required by FRS 19

Turnover

Turnover represents sales from house building. Sales are recognised on legal completion of conveyance

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amounts charged to the profit and loss account represent the contributions payable to the scheme in respect of the accounting period

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company

Following the adoption of FRS25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy) are dealt with as appropriations in the reconciliation of movements in shareholders' funds

2 Loss on ordinary activities before taxation

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
<i>Loss on ordinary activities before taxation is stated after charging.</i>		
Amounts receivable by the auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	3	3
Other services relating to taxation	4	3
Depreciation and other amounts written off tangible fixed assets	7	6
Profit on disposal of fixed asset	(4)	-
	<hr/>	<hr/>

3 Remuneration of directors

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Directors' emoluments	144	112
Company contributions to money purchase pension schemes	9	8
	<hr/>	<hr/>
	153	120
	<hr/>	<hr/>

Notes (continued)

3 Remuneration of directors (continued)

The total emoluments of the highest paid director was £144,201 (2011 £112,199) and company pension contributions of £9,527 (2011 £8,004) were made to a money purchase scheme on his behalf

Retirement benefits are accruing to the following number of directors under

	Year ended 30 June 2012	Year ended 30 June 2011
Money purchase scheme	<u>1</u>	<u>1</u>

4 Staff number and costs

The average number of persons employed by the company (including directors) during the year was

	Year ended 30 June 2012	Year ended 30 June 2011
Other	<u>1</u>	<u>2</u>
	<u>1</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Wages and salaries	144	204
Social security costs	19	25
Other pension costs (see note 14)	9	13
	<u>172</u>	<u>242</u>

5 Interest received

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
On bank balances	<u>44</u>	<u>35</u>
	<u>44</u>	<u>35</u>

Notes (continued)

6 Taxation

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
<i>UK corporation tax</i>		
Group Relief	(57)	(69)
	<hr/>	<hr/>
Total current tax credit	(57)	(69)
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
Tax credit on profit on ordinary activities	(57)	(69)
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax credit for the year is higher (2011 equal) than the standard rate of corporation tax in the UK 25.5% (2011 27.5%), as explained below

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(223)	(251)
	<hr/>	<hr/>
Current tax at 25.5% (2011 27.58%)	(56)	(69)
<i>Effects of</i>		
Capital allowances in excess of depreciation for the year	(1)	-
	<hr/>	<hr/>
Total current tax credit (see above)	(57)	(69)
	<hr/>	<hr/>

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
<i>The elements of deferred taxation are as follows</i>		
Capital allowances in excess of depreciation	(2)	(2)
	<hr/>	<hr/>
Deferred tax asset (see note 9)	(2)	(2)
	<hr/>	<hr/>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 June 2012 has been calculated based on the rate of 24% substantively enacted at the balance sheet date.

The announced additional 2% rate reduction will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

Notes (continued)

7 Tangible fixed assets

<i>Cost</i>	Motor vehicles £000	Total £000
At beginning of year	25	25
Disposals	(25)	(25)
Additions	32	32
	<hr/>	<hr/>
At end of year	32	32
	<hr/>	<hr/>
<i>Depreciation</i>		
At beginning of year	12	12
Charged during year	7	7
Disposals	(16)	(16)
	<hr/>	<hr/>
At end of year	3	3
	<hr/>	<hr/>
<i>Net book value</i>		
At 30 June 2012	29	29
	<hr/>	<hr/>
At 30 June 2011	13	13
	<hr/>	<hr/>

8 Stocks

	2012 £000	2011 £000
Land	713	464
Construction work in progress	217	28
	<hr/>	<hr/>
	930	492
	<hr/>	<hr/>

During the year, land held at net book value of £nil (2011 £4,646,000) and construction costs held at net book value of £nil (2011 £436,000) were transferred at £nil profit to Wainhomes North West Limited

9 Debtors

	2012 £000	2011 £000
Amounts due from parent and other group undertakings	57	69
Deferred tax (see note 6)	2	2
	<hr/>	<hr/>
	59	71
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Amounts due to other group undertakings	32	110
Accruals	44	40
	<u>76</u>	<u>150</u>

11 Called up share capital

	2012 £000	2011 £000
<i>Allotted and called up</i> 2,001,000 ordinary shares of £1 each	2,001	2,001
	<u>2,001</u>	<u>2,001</u>

12 Reserves

	Profit and loss account £000
At 30 June 2011	(384)
Retained loss during year	(166)
	<u>(550)</u>
At 30 June 2012	

13 Reconciliation of movements in equity shareholders' funds

	Year ended 30 June 2012 £000	Year ended 30 June 2011 £000
Loss for the financial year	(166)	(182)
	<u>(166)</u>	<u>(182)</u>
Net reduction in equity shareholders' funds	1,617	1,799
	<u>1,617</u>	<u>1,799</u>
Closing equity shareholders' funds	1,451	1,617
	<u>1,451</u>	<u>1,617</u>

Notes *(continued)*

14 Pension scheme

The company operates a defined contribution pension scheme. The pension charge in the year represents contributions paid by the company to the scheme and was £9,228 (2011 £13,205). There were no outstanding or prepaid contributions at the year end (2011 £nil).

15 Ultimate holding company

The company is a subsidiary undertaking of Wain Group Limited incorporated in Great Britain and registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Wain Group Holdings Limited, incorporated in Great Britain and registered in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from

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