

Ward Homes Group Limited

Directors' Report and Financial Statements

31st December 2006

Registered Number: 04421641



Ward Homes Group Limited

Directors' Report and Financial Statements

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Ward Homes Group Limited

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st December 2006

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985

Principal activities, review of developments and prospects

The Company is the parent of a Group, which is engaged in house building. The Directors consider the financial position of the Company to be satisfactory.

Dividends and transfers to reserves

The result for the period is shown in the profit and loss account on page 4.

Post balance sheet event

On 5th February 2007, Barratt Developments PLC announced that it had made an offer to acquire the entire issued and to be issued share capital of the ultimate parent company Wilson Bowden plc.

Directors and their interests

The Directors who held office throughout the year were as follows:

R J R Brooke

G M Brown (resigned 21 September 2006)

I Robertson

N J Townsend (resigned 8 April 2006)

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

I Robertson is also a Director of Wilson Bowden plc and his interests in the share capital of the holding company are disclosed in that company's financial statements.

N J Townsend was also a Director of Wilson Bowden plc until his resignation on 8 April 2006 and his interests in the share capital of the holding company are disclosed in that company's financial statements.

G M Brown was also a Director of Wilson Bowden plc until his resignation on 31 December 2006 and his interests in the share capital of the holding company are disclosed in that company's financial statements.

R J R Brooke is also a Director of David Wilson Homes Limited and his interests in the share capital of the holding company are disclosed in that company's financial statements.

Those Directors noted above as being Directors of the ultimate parent company, Wilson Bowden plc, have the benefit of an indemnity under the terms of a deed with that company. Wilson Bowden plc has agreed to indemnify each Director to the extent permitted by law and its Articles of Association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of Wilson Bowden plc and any of its subsidiaries.

The Company has not entered into a deed of indemnity with the Directors.

Ward Homes Group Limited

Directors Report (*continued*)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Each of the persons who is a Director at the date of approval of this annual report confirms that

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware and
- The Director has taken all of 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 s234ZA of the Companies Act 1985

By order of the Board



R. G. Douglas

Secretary

2nd April 2007

Ward Homes Group Limited

Statement of Directors' Responsibilities

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

Under the 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)

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year

The Directors consider that, in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all accounting standards which they consider to be applicable have been followed

The Directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with UK company law

The Directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors 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

Ward Homes Group Limited

Independent Auditors' Report to the Members of Ward Homes Group Limited

We have audited the financial statements of Ward Homes Group Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 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

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the Directors in the preparation of the financial statements, 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31st December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham, UK
2nd April 2007

Ward Homes Group Limited

Profit and Loss Account

Year ended 31st December 2006

	Note	Year ended 31st December 2006 £'000	Year ended 31st December 2005 £'000
Interest payable	3	<u>(69)</u>	<u>(69)</u>
Loss on ordinary activities before taxation		(69)	(69)
Tax on loss on ordinary activities	4	21	28
Retained loss on ordinary activities after taxation	9	<u>(48)</u>	<u>(41)</u>

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

All operations are discontinued

The Company has no recognised gains or losses in the period other than as stated above. Accordingly, no statement of total recognised gains and losses has been presented

Ward Homes Group Limited

Balance Sheet

31st December 2006

	Note	31st December 2006 £'000	31st December 2005 £'000
Fixed assets			
Investments	5	11,039	11,039
Current assets			
Debtors	6	42	21
Creditors amounts falling due within one year	7	<u>(1,131)</u>	<u>(1,062)</u>
Net current liabilities		<u>(1,089)</u>	<u>(1,041)</u>
Net assets		<u>9,950</u>	<u>9,998</u>
Capital and reserves			
Called up share capital	8	10	10
Share premium account	9	3,910	3,910
Profit and loss account	9	6,030	6,078
Equity shareholders' funds	10	<u>9,950</u>	<u>9,998</u>

The accompanying notes are an integral part of this balance sheet

These financial statements were approved by the Board of Directors on 2nd April 2007 and were signed on its behalf by



R. J. R. Brooke

Director

Ward Homes Group Limited

Notes to the Financial Statements

for the year ended 31st December 2006

1 Accounting policies

The following accounting policies have been applied consistently, with the exception of changes in accounting policy caused by the adoption of new accounting policies, 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. The Company has taken exemption from preparing Group financial statements as permitted by section 228 of the Companies Act 1985. These financial statements present information about the Company as an individual and not as a group undertaking.

Taxation

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 the subsidiary companies are shown at cost less provision for any impairment.

Cash flow statement

As the Company is a wholly owned subsidiary and the ultimate parent company (Wilson Bowden plc) prepares a group cash flow statement, the Company is exempt from the requirement to publish a cash flow statement.

2. Remuneration of Directors and auditors

Mr I. Robertson is, and Mr G. M. Brown and Mr N. J. Townsend were, Directors of Wilson Bowden plc and their emoluments are disclosed in that company's accounts. Mr I. Robertson, Mr G. M. Brown and Mr N. J. Townsend received no separate emoluments in respect of their services to this Company. Mr R. J. R. Brooke is a Director of David Wilson Homes Limited and his emoluments are disclosed in that company's accounts. Mr R. J. R. Brooke received no separate emoluments in respect of his services to this Company.

The Company has no direct employees. The audit fee of £2,000 (2005 £2,000) was borne by another Group company.

3. Interest payable

	Year ended 31st December 2006	Year ended 31st December 2005
	£'000	£'000
Interest payable on loans from group undertakings	69	69
	<u>69</u>	<u>69</u>

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for the year ended 31st December 2006

4. Tax on loss on ordinary activities

	Year ended 31st December 2006 £'000	Year ended 31st December 2005 £'000
UK corporation tax at 30%	(21)	(21)
Prior year tax credit	-	(7)
	<u>(21)</u>	<u>(28)</u>

The tax assessed for the period is equal to (2005 lower than) that resulting from applying the standard rate of corporation tax in the UK of 30%. The 2005 difference is explained below:

	Year ended 31st December 2006 £'000	Year ended 31st December 2005 £'000
Loss on ordinary activities before taxation	<u>(69)</u>	<u>(69)</u>
Tax at 30% thereon	(21)	(21)
Effects of		
Prior period adjustment	-	(7)
Actual amount of current tax	<u>(21)</u>	<u>(28)</u>

5 Investments held as fixed assets

	Company shares in subsidiaries £'000
Cost and net book value	
1st January 2006 and 31st December 2006	<u>11,039</u>
	<u>11,039</u>

Subsidiary undertakings are as follows

Subsidiary undertakings	Country of incorporation and operation	Activity	Proportion of ordinary shares held
Kealoha II Limited	Great Britain	Holding Company	100%
Ward Holdings Limited†	Great Britain	Holding Company	100%
Ward Homes Limited†	Great Britain	Housebuilding	100%
Ward Brothers (Gillingham) Limited†	Great Britain	Dormant	100%
Wards Construction (Investments) Limited†	Great Britain	Industrial/Commercial Property Development	100%
Ward Homes (South Eastern) Limited†	Great Britain	Dormant	100%
Ward Homes (London) Limited†	Great Britain	Dormant	100%
Ward Homes (North Thames) Limited†	Great Britain	Housebuilding	100%
Wards Construction (Industrial) Limited†	Great Britain	Property Trading	100%
Ward Country Houses Limited†	Great Britain	Dormant	100%
Ward Insurance Services Limited†	Great Britain	Dormant	100%
Ward (Showhomes) Limited†	Great Britain	Housebuilding	100%

† held indirectly

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6. Debtors

	31st December 2006 £'000	31st December 2005 £'000
Corporation tax recoverable (including group relief)	42	21

7. Creditors, amounts falling due within one year

	31st December 2006 £'000	31st December 2005 £'000
Amounts owed to Group undertakings	1,131	1,062

Amounts owed to Group undertakings are interest bearing at market rates and repayable on demand

8. Called up share capital

	31st December 2006 £	31st December 2005 £
Authorised.		
226,000 A1 Ordinary Shares at 1p each	2,260	2,260
214,000 A2 Ordinary Shares of 1p each	2,140	2,140
560,000 B Ordinary Shares of 1p each	5,600	5,600
	10,000	10,000
Called up, allotted and fully paid.		
226,000 A1 Ordinary Shares of 1p each	2,260	2,260
214,000 A2 Ordinary Shares of 1 p each	2,140	2,140
560,000 B Ordinary Shares of 1p each	5,600	5,600
	10,000	10,000

Both the A and B ordinary shares are entitled to cumulative dividends determined according to the profits of the Company, subject to the redemption of the bank loan and the loan notes in full and the payment of all interest accrued thereon. The A and B ordinary shares rank pari passu on a winding-up.

Both classes of share carry equal voting rights.

Ward Homes Group Limited

Notes to the Financial Statements

for the year ended 31st December 2006

9 Statement of movements on reserves

	Share premium account £'000	Profit and loss account £'000
At 1st January 2006	3,910	6,078
Loss retained for the period	-	(48)
At 31st December 2006	<u>3,910</u>	<u>6,030</u>

10 Reconciliation of movements in shareholders' funds

	31st December 2006 £'000	31st December 2005 £'000
Loss for the financial year	(48)	(41)
Opening Shareholder's funds	9,998	10,039
Closing Shareholder's funds	<u>9,950</u>	<u>9,998</u>

11 Ultimate parent company

The immediate parent company is Wilson Bowden plc. The Directors regard Wilson Bowden plc, a company incorporated in Great Britain, as the ultimate parent company and ultimate controlling party.

Wilson Bowden plc is the parent undertaking of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements 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.

13 Financial instruments

As the Company is a wholly owned subsidiary, it has taken advantage of the exemption in paragraph 3c of FRS25 "Financial Instruments: Disclosure and Presentation" from providing financial instruments disclosures as these are included within the consolidated financial statements of the ultimate parent company, Wilson Bowden plc.

14. Post balance sheet event

On 5th February 2007, Barratt Developments PLC announced that it had made an offer to acquire the entire issued and to be issued share capital of the ultimate parent company Wilson Bowden plc.