

Ward Homes Group Limited

Directors' Report and Financial Statements

30 June 2009

Registered Number: 04421641



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Ward Homes Group 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

Review of the business and principal activities

The Company is the intermediate 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

Results and dividends

The Company made a loss before tax of £44,000 (2008 £3,481,000 profit). The Directors do not recommend the payment of a dividend.

In the year ended 30 June 2008 an interim dividend of 236 5p per share amounting to £2,365,000 was paid on 31 October 2007. A further special interim dividend of 119 2p 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 during the year ended 30 June 2008 amounted to £3,557,000.

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 Homes Group Limited

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

Going concern

The Company's main assets are investments in 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.

Ward Homes Group Limited

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

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 Homes Group Limited

We have audited the financial statements of Ward Homes Group 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.



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

Ward Homes Group Limited

Profit and Loss Account

Year ended 30 June 2009

	Note	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Turnover		-	3,557
Operating profit		-	3,557
Interest payable	3	(44)	(76)
(Loss)/profit on ordinary activities before taxation		(44)	3,481
Tax on (loss)/profit on ordinary activities	4	12	22
(Loss)/retained profit on ordinary activities after taxation	11	(32)	3,503

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 (loss)/profit on ordinary activities before taxation for the years stated above and the historical cost equivalent

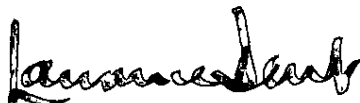
The Company has no recognised gains and losses other than those reported above. Accordingly no statement of total recognised gains and losses is presented

Ward Homes Group Limited

Balance sheet as at 30 June 2009

	Note	30 June 2009 £'000	30 June 2008 £'000
Fixed assets			
Investments	6	11,039	11,039
Current assets			
Debtors	7	95	83
Creditors: amounts falling due within one year	8	<u>(1,297)</u>	<u>(1,253)</u>
Net current liabilities		<u>(1,202)</u>	<u>(1,170)</u>
Net assets		<u>9,837</u>	<u>9,869</u>
Capital and reserves			
Called up share capital	9	10	10
Share premium account	10	3,910	3,910
Profit and loss account	10	5,917	5,949
Shareholders' funds	11	<u>9,837</u>	<u>9,869</u>

The accounts on pages 5 to 11 of Ward Homes Group Limited, registered number 04421641, were approved by the Board of Directors on 27 January 2010 and signed on its behalf by



L Dent
Director

Ward Homes Group 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 Homes Group 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 Homes Group Limited

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

2 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 It is not practicable to allocate the emoluments for the Directors between their services as a Director of the Company and other Group companies

No director received separate emoluments in respect of their service to this Company 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

3 Interest payable

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Interest payable on loans from group undertakings	44	76

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

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
UK corporation tax at 28% (2008 29.5%)	(12)	(22)

The tax assessed for the year is equal to (2008 lower than) that resulting from applying the standard rate of corporation tax in the UK at 28% (2008 29.5%) The differences are explained below

	Year to 30 June 2009 £	Year to 30 June 2008 £
(Loss)/profit on ordinary activities before taxation	(44)	3,481
Tax at 28% (2008 29.5%) thereon	(12)	1,027
Effect of		
Dividend income not subject to corporation tax	-	(1,049)
Current tax credit	(12)	(22)

Ward Homes Group Limited

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

4. Tax on (loss)/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.

5 Dividends

	Year ended 30 June 2009	Year ended 30 June 2008
	£'000	£'000
2008 interim dividend of 236 5p per share paid 31 October 2007	-	2,365
2008 interim dividend of 119 2p per share paid 29 May 2008	-	1,192
	<u>-</u>	<u>3,557</u>

The dividends paid above match those received from its subsidiary Kealoha II Limited on those same dates. No final dividend payment is proposed for 2009 (2008: £nil).

6 Investments held as fixed assets

	Company shares in subsidiaries £'000
Cost and net book value at 1 July 2008 and 30 June 2009	<u>11,039</u>

Subsidiary undertakings are as follows	Country of incorporation and operation	Activity	Proportion of ordinary shares held
C V (Ward) Limited [†]	Great Britain	Dormant	100%
Kealoha II Limited	Great Britain	Holding Company	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 Holdings Limited [†]	Great Britain	Holding Company	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%

[†] Held indirectly

Ward Homes Group Limited

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

7 Debtors

	2009 £'000	2008 £'000
Amounts owed by Group undertakings	83	61
Corporation tax	12	22
	<u>95</u>	<u>83</u>

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

8 Creditors amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to Group undertakings	<u>1,297</u>	<u>1,253</u>

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

9 Called up share capital

There was no change in share capital during the year

	Authorised £	Allotted and fully paid £
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
	<u>10,000</u>	<u>10,000</u>

All shareholders 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 payment of all interest accrued thereon. All shares rank pari passu on a winding-up and carry equal voting rights except as follows:

Holders of each class of A share are separately entitled to appoint and dismiss from office a non-executive director to represent that class. In the event of a poll for dismissal of such a director, votes of the relevant A shares are counted as double those of both the other class of A share and those of the B shares.

In the event a poll for any other reason votes of both classes of A share are counted as double those of the B shares.

10 Statement of movements on reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2008	3,910	5,949
Loss for the year	-	(32)
At 30 June 2009	<u>3,910</u>	<u>(5,917)</u>

11 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
(Loss)/profit for the financial year	(32)	3,503
Opening Shareholder's funds	9,869	9,923
Dividends paid	-	(3,557)
Closing Shareholder's funds	<u>9,837</u>	<u>9,869</u>

Ward Homes Group Limited

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

12 Ultimate parent company

The immediate parent company is Wilson Bowden Limited, a company incorporated in Great Britain and registered in England

The ultimate parent undertaking 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, Bardon Hill, Coalville, Leicestershire, LE67 1UF

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

13. 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 Barratt Developments PLC

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