

# Ward Homes Group Limited

## Directors' Report and Financial Statements

31<sup>st</sup> December 2003

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 fourteen months to 31<sup>st</sup> December 2003.

### Principal Activities, review of developments and prospects

The company is the parent of a group, which is engaged in housebuilding and plant hire.

On 14 November 2003 the group, headed by Ward Homes Group Limited, 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.

### Dividends and Transfers to Reserves

The directors do not recommend the payment of a dividend. The result for the period is shown in the profit and loss account on page 5.

### Directors and their Interests

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

P.D. Holliday	(Resigned 14 Nov 2003)
J. M. Williams	(Resigned 14 Nov 2003)
M. R. Lethaby	(Resigned 15 Jan 2004)
F. L. G. Neale	(Resigned 14 Nov 2003)
A. J. Weinel	(Resigned 14 Nov 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.

### Employees

The company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities.

It is the directors' policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled.

The training, career development and promotion of disabled persons employed by the company is an integral part of the personnel policy applicable to all employees.

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance. During the year, information regarding financial and economic factors affecting the performance of the company and other matters of concern to employees was regularly made available.

### Political and charitable contributions

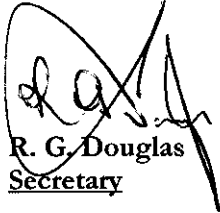
The company made no charitable or political contributions during the period.

# Ward Homes Group Limited

## 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 Homes Group Limited

## Statement of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of that financial period 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.

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

We have audited the financial statements of Ward Homes Group Limited for the fourteen months to 31<sup>st</sup> December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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**

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 is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

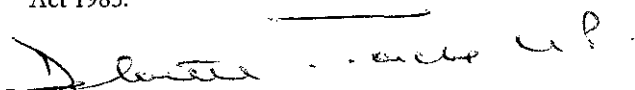
### **Basis of audit opinion**

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 its loss for the 14 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 Homes Group Limited**  
**Profit and Loss Account**  
**For the period ended 31<sup>st</sup> December 2003**

	Note	Fourteen months ended 31 December 2003 £'000	Period from incorporation to 31 October 2002 £'000
<b>Turnover</b>		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(567)	(17)
<b>Operating loss</b>	3	(567)	(17)
Net interest payable	4	(4,005)	(844)
<b>Loss on ordinary activities before taxation</b>		(4,572)	(861)
Tax on loss on ordinary activities	5	1,232	258
<b>Retained loss for the financial period</b>	12, 13	(3,340)	(603)

All operations are continuing.

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 prepared.

**Ward Homes Group Limited**  
**Balance Sheet**  
for the fourteen months ended 31 December 2003

	Note	£'000	2003 £'000	£'000	Period from incorporation to 31 October 2002 £'000
<b>Fixed assets</b>					
Investments	6		11,039		11,039
<b>Current assets</b>					
Debtors	7		42,864		39,706
<b>Creditors: amounts falling due within one year</b>	8		<u>(53,926)</u>		<u>(3,177)</u>
<b>Net current (liabilities) assets</b>			<u>(11,062)</u>		<u>36,529</u>
<b>Total assets less current liabilities</b>			(23)		47,568
<b>Creditors: amounts falling due after more than one year</b>	9		-		(44,251)
<b>Net (liabilities) assets</b>			<u>(23)</u>		<u>3,317</u>
<b>Capital and reserves</b>					
Called up share capital	11		10		10
Share premium account	12		3,910		3,910
Profit and loss account	12		<u>(3,943)</u>		<u>(603)</u>
<b>Equity shareholders' (deficit) funds</b>	13		<u>(23)</u>		<u>3,317</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 Homes Group Limited

## Notes To The Accounts

### for the fourteen months ended 31 December 2003

#### 1. Accounting Policies

The following accounting policies have been applied consistently 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 are prepared under the historical cost convention in accordance with applicable accounting standards and with the Companies Act 1985.

The financial statements present information about the company as an individual and not as a group undertaking.

##### *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*

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. Shares in the subsidiary companies are shown at cost.

##### *Debt*

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period. Convertible debt is reported as a liability unless conversion actually occurs. No gain or loss is recognised on conversion.

The prior year comparatives have been presented from incorporation, occurring on 22nd April 2002 to 31st October 2002.

#### 2. Information Regarding Directors and Employees

Apart from the directors, there are no other employees. Details of directors' remuneration are set out in the table below:

	Fourteen months ended 31st December 2003 £'000	Period from incorporation to 31 October 2002 £'000
Directors' emoluments	120	175
Remuneration of the highest paid director	-	82
Pension contributions of the highest paid director	-	7

The 2002 fees for F L G Neale of £20,000 have been invoiced by IRR FC, a company of which he is a director. The fees for A Weinel of £20,000 have been invoiced by RBS Mezzanine Limited, a wholly owned subsidiary of his employer, The Royal Bank of Scotland plc.

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**3. Operating Loss**

Audit fees in respect of the period were borne by a fellow group company. Audit fees in respect of the prior period were £5,000. Non-audit fees in respect of the period were £455,000 (2002 - £Nil).

**4. Net Interest Payable**

	Fourteen months ended 31 December 2003	Fourteen months ended 31 December 2003	Period from incorporation to 31 October 2002	Period from incorporation to 31 October 2002
	£'000	£'000	£'000	£'000
<b>Interest receivable</b>				
On bank deposits	(1)	(1)	-	-
<b>Interest payable</b>				
On bank loans and overdrafts	3,439		818	
Amortisation of finance fees	549		26	
Bank Charges	18		-	
		4,006		844
		4,005		844

**5. Tax on loss on Ordinary Activities**

	Fourteen months ended 31 <sup>st</sup> December 2003 £'000	Period from incorporation to 31 October 2002 £'000
UK corporation tax at 30%	(1,232)	(258)
	(1,232)	(258)

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

	Fourteen months ended 31 <sup>st</sup> December 2003 £'000	Period from incorporation to 31 October 2002 £'000
Loss on ordinary activities before taxation	(4,572)	(861)
Tax at 30% thereon	(1,372)	(258)
<b>Effects of</b>		
Expenses not deductible for tax purposes	140	-
Actual amount of current tax	(1,232)	(258)

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**6. Investments held as Fixed Assets**

	<b>31 December 2003 £'000</b>	<b>31 October 2002 £'000</b>
<b>Cost and net book value</b>		
1 Nov 2002 and 31 Dec 2003	11,039	11,039
	<u>11,039</u>	<u>11,039</u>

Subsidiary undertakings are as follows:

<b>Subsidiary undertakings</b>	<b>Country of incorporation and operation</b>	<b>Activity</b>	<b>Proportion of ordinary shares held</b>
Kealoha II Limited	Great Britain	Holding Company	100%
Ward Holdings Limited†			
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	Dormant	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	Dormant	100%
Castle Village Limited†	Great Britain	Housebuilding	100%
Castle Village Investments Limited†	Great Britain	Property Investment	100%
Ward (Showhomes) Limited†	Great Britain	Housebuilding	100%

† held indirectly

**7. Debtors**

	<b>31 December 2003 £'000</b>	<b>31 October 2002 £'000</b>
Amounts owed by group undertakings	41,626	39,448
Corporation tax	1,238	258
	<u>42,864</u>	<u>39,706</u>

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**8. Creditors: Amounts Falling Due Within One Year**

	31 December 2003 £'000	31 October 2002 £'000
Bank loans and overdraft	2	2,906
Amounts owed to group undertakings	53,810	4
Other taxation and social security	16	-
Accruals and deferred income	98	267
	<u>53,926</u>	<u>3,177</u>

**9. Creditors: amounts falling due after more than one year**

	31 December 2003 £'000	31 October 2002 £'000
Bank loan	-	44,251
	<u>-</u>	<u>44,251</u>

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**10. Borrowings**

	<b>31</b>	<b>31</b>
	<b>December</b>	<b>October</b>
	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdraft	2	906
Bank loans	-	46,251
	<u>2</u>	<u>47,157</u>
	<u>2</u>	<u>47,157</u>
Due within one year	2	2,906
Due after more than one year	-	44,251
	<u>-</u>	<u>47,157</u>
	<u>-</u>	<u>47,157</u>
<b>Analysis of loan repayments</b>		
Bank loans		
Due within one year	-	2,000
Due in more than one but not more than two years	-	2,000
Due in more than two but not more than five years	-	12,000
Due after five years	-	30,251
	<u>-</u>	<u>46,251</u>
	<u>-</u>	<u>46,251</u>

The bank loans bear interest at rates linked to LIBOR. For the period to 14 November 2003 the rate for the term loan ranged between 5.42% and 6.50%. The rate for the mezzanine loan ranged between 10.42% and 11.01%. The bank loans are secured by a fixed and floating charge over the assets of the company and its subsidiary undertakings.

The term and mezzanine loans were repaid in full on 14<sup>th</sup> November 2003 on the acquisition of Ward Homes Group by Wilson Bowden Plc.

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**11. Called Up Share Capital**

	31 December 2003 £	31 October 2002
<b>Authorised:</b>		
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>
<b>Called up, allotted and fully paid:</b>		
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
	<u>10,000</u>	<u>10,000</u>

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.

**12. Statement of movements on reserves**

	Share premium account £'000	Profit and loss account £'000
At 1 <sup>st</sup> November 2003	3,910	(603)
Loss retained for the period	-	(3,340)
At 31 December 2003	<u>3,910</u>	<u>(3,943)</u>

**13. Reconciliation of movements in shareholders' funds**

	31 December 2003 £'000	Period from incorporation to 31 October 2002 £'000
Issue of shares on incorporation	-	3,920
Profit/(loss) for the financial period	(3,340)	(603)
Opening Shareholder's funds	3,317	-
Closing Shareholder's funds	<u>(23)</u>	<u>3,317</u>

**Ward Homes Group Limited**  
**Notes To The Accounts (continued)**  
**for the fourteen months ended 31 December 2003**

**14. Ultimate Parent company**

The company is a subsidiary undertaking of Wilson Bowden Plc, registered in England and Wales, which is the parent undertaking of the 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.

**15. 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.