

Ward Holdings Limited
Directors' report and financial statements

31 December 2004

Registered Number: 300534



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Ward Holdings Limited

Directors' report and financial statements

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Ward Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

Principal activities, review of development prospects

The Company is a holding Company.

Dividends paid and transfer to reserves

The results for the period are set out in the profit and loss account on page 4. A dividend of £46,921,493 was paid in the year (2003: £nil).

Directors and directors' interests

The directors who held office during the year (except as noted) were as follows:

R.J.R. Brooke
G.M. Brown
I. Robertson
M.J. Stansfield (resigned 14 January 2005)
N.J. Townsend

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

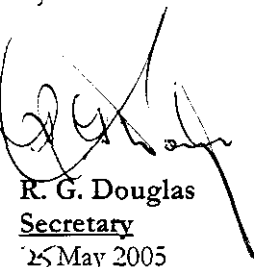
G. M. Brown, I. Robertson, N. J. Townsend and M. J. Stansfield are also directors of Wilson Bowden plc and their interests in the share capital of the holding Company are disclosed in that Company's financial statements. M. J. Stansfield resigned as a director on 14 January 2005.

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.

Auditors

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
25 May 2005

Ward Holdings Limited

Statement of Directors' Responsibilities

United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of that financial year and of the profit or loss of the Company 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.

Ward Holdings Limited

Independent Auditors' Report to the Members of Ward Holdings Limited

We have audited the financial statements of Ward Holdings Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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 and is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section 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 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham

7 May 2005

Ward Holdings Limited
Profit and Loss account
Year ended 31 December 2004

	Note	Year ended 31 December 2004 £'000	Fourteen months ended 31 December 2003 £'000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Income from shares in group undertakings		45,968	-
Administrative expenses		(55)	(35)
Profit on disposal of investments		980	-
Operating profit/(loss)		46,893	(35)
Amounts written of investments	5	(303)	-
Profit/(loss) before interest and taxation		46,590	(35)
Net interest receivable	3	-	107
Profit on ordinary activities before taxation		46,590	72
Tax on profit on ordinary activities	4	125	-
Profit on ordinary activities after taxation		46,715	72
Dividends paid	8	(46,921)	-
Retained (loss)/profit for the financial period	10,11	(206)	72

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

All amounts relate to continuing operations.

The Company has no recognised gains and losses in either period other than those reported in the profit and loss account above. Accordingly no statement of total recognised gains and losses is required.

Ward Holdings Limited

Balance sheet

as at 31 December 2004

	Note	31 December 2004		31 December 2003	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	5		2,567		2,870
Current assets					
Debtors	6	52,720		11,186	
Cash at bank and in hand		<u>1</u>		<u>2</u>	
		52,721		11,188	
Creditors: amount falling due within one year	7	<u>(48,661)</u>		<u>(7,225)</u>	
Net current assets			4,060		3,963
Net assets			<u>6,627</u>		<u>6,833</u>
Capital and reserves					
Called up share capital	9		5,317		5,317
Share premium account	10		199		199
Profit and loss account	10		<u>1,111</u>		<u>1,317</u>
Equity shareholder's funds	11		<u>6,627</u>		<u>6,833</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 25 May 2005 and were signed on its behalf by:



R.J.R Brooke
Director

25 May 2005

Ward Holdings Limited

Notes to the financial statements

Year ended 31 December 2004

1. Accounting policies

The following accounting policies have been adopted 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 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

held in subsidiary companies are stated at cost less provision for any impairment.

2. Profit on ordinary activities before taxation

Directors' remuneration was borne by the ultimate parent Company in the current and preceding financial period and disclosed in the accounts of that Company. It is not practical to split this between group companies.

The Company incurred £35k in relation to audit fees in the current year. In the prior period, the audit fee was borne by another group Company.

The Company has no direct employees.

3. Net interest receivable

	Year ended 31 December 2004	Fourteen months ended 31 December 2003
	£'000	£'000
Interest receivable		
On bank deposits	-	(134)
Interest payable and similar charges		
Intercompany interest charge	-	27
	-	(107)

Ward Holdings Limited
Notes to the financial statements (continued)
Year ended 31 December 2004

4. Tax on profit on ordinary activities

	Year ended 31 December 2004 £'000	Fourteen months ended 31 December 2003 £'000
UK Corporation Tax at 30% (2003: 30%)	(17)	-
Adjustment in respect of prior periods	(108)	-
	<u>(125)</u>	<u>-</u>

The tax assessed for the year is lower (2003 higher) than that resulting from applying the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are explained below:

	Year ended 31 December 2004 £'000	Fourteen months ended 31 December 2003 £'000
Profit/(loss) on ordinary activities before taxation	46,590	72
Tax at 30% thereon	13,977	22
<i>Effects of</i>		
Expenses not deductible for tax purposes	91	4
UK Dividends receivable not taxable	(13,791)	-
Prior period adjustments	(108)	-
Non taxable profit on sale of investments	(294)	-
Utilisation of tax losses	-	(26)
Actual amount of current tax	<u>(125)</u>	<u>-</u>

Ward Holdings Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2004

5. Investments

	31 December 2004 £'000
Cost at 1 Jan 2003 and 1 Jan 2004	3,302
Impairment at 1 Jan 2003	(432)
Impairment	(303)
Impairment at 1 Dec 2004	(735)
Net book value at 31 Dec 2004	2,567
Net book value at 31 Dec 2003	2,870

During the year the directors have performed an impairment review and recorded an impairment of £303,000.

Subsidiary undertakings are as follows:

Subsidiary undertakings	Country of incorporation and operation	Activity	Proportion of ordinary shares held
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	Housebuilding	100%
Ward Homes (London) Limited	Great Britain	Housebuilding	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	Insurance	100%
Castle Village Investments Limited	Great Britain	Housebuilding	100%
Ward (Showhomes) Limited	Great Britain	Housebuilding	100%

† held indirectly

6. Debtors

	31 December 2004 £'000	31 December 2003 £'000
Amounts owed by group undertakings	50,910	11,186
Taxation	1,810	-
	52,720	11,186

7. Creditors: amounts falling due within one year

	31 December 2004 £'000	31 December 2003 £'000
Amounts owed to group undertakings	48,476	6,968
Other taxes and social security	-	2
Bank overdraft	-	1
Deferred consideration	-	250
Accruals and deferred income	185	4
	48,661	7,225

Ward Holdings Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2004

8. Dividends paid and proposed on ordinary shares

	2004 £'000	2003 £'000
Equity shares		
Final paid of 88p (2003: nil) per ordinary share	46,921	-
	<u>46,921</u>	<u>-</u>

9. Share capital

	31 December 2004 £'000	31 December 2003 £'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>

10. Reserves

	Profit and loss account £'000	Share premium account £'000	Total £'000
1 January 2004	1,317	199	1,516
Retained loss for the financial year	(206)	-	(206)
31 December 2004	<u>1,111</u>	<u>199</u>	<u>1,310</u>

11. Reconciliation of movements in shareholder's funds

	31 December 2004 £'000	31 December 2003 £'000
(Loss)/profit for the financial period	(206)	72
Opening shareholder's funds	6,833	6,761
Closing shareholder's funds	<u>6,627</u>	<u>6,833</u>

Ward Holdings Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2004

12. Ultimate parent Company

The Company is a subsidiary undertaking of Kealoha II Ltd. 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.

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 Wilson Bowden plc.