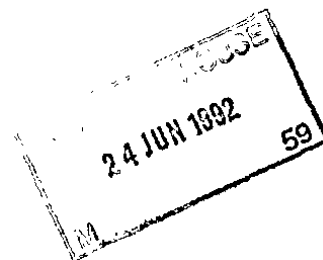


WATES LANCEWOOD ESTATES LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 1991



SLATER, CHAPMAN & COOKE,  
CHARTERED ACCOUNTANTS,  
16A, ST. JAMES'S STREET,  
LONDON, SW1A 1ER.

## WATES LANCEWOOD ESTATES LIMITED

## DIRECTORS' REPORT

The directors present their report and statement of accounts for the year ended 31st December 1991.

## Principal activities and business review

The company carries out development of sites for residential and commercial purposes. During the year agreement was reached for the disposal of the company's remaining property interests giving rise to the highly satisfactory operating profit for the year. A much lower profit is anticipated for the current year.

## Results and dividend

	£
Profit on ordinary activities before taxation	861,020
Taxation	<u>19,137</u>
Profit retained and carried to reserves	<u>£841,883</u>

The directors do not propose payment of a dividend for the year.

## Directors and their interests

The directors throughout the year were as follows:-

M.E. Wates  
Sir Christopher Wates  
P.C.R. Wates

The directors have no shareholding interests required to be reported under section 324 of the Companies Act 1985.

## Auditors

The auditors, Slater, Chapman and Cooke, have indicated their willingness to continue in office, and a resolution proposing their re-appointment will be considered at the next Annual General Meeting.

BY ORDER OF THE BOARD

N. S. SAREEN  
SECRETARY

Dated: 16 JUNE 1992

REPORT OF THE AUDITORS TO THE MEMBERS OF  
WATES LANCEWOOD ESTATES LIMITED

We have audited the financial statements on pages 3 to 7 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LONDON  
Dated:

16 JUNE 1992

SLATER, CHAPMAN & COOKE  
REGISTERED AUDITOR

## WATES LANCEWOOD ESTATES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1991

	Notes	1991 £	1990 £
TURNOVER		795,516	3,750
Cost of sales		<u>(77,829)</u>	<u>2,601</u>
GROSS PROFIT		873,345	1,149
Administrative expenses		<u>12,325</u>	<u>2,308</u>
OPERATING PROFIT (1990-LOSS)		861,020	(1,159)
Net rental income		<u>—</u>	<u>109,161</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		861,020	108,002
Tax on profit on ordinary activities		<u>19,137</u>	<u>37,162</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£841,883</u>	<u>£ 70,840</u>

Movement on reserves is shown in note 5.

WATES LANCEWOOD ESTATES LIMITED  
BALANCE SHEET AT 31ST DECEMBER 1991

	Notes	£	1991 £	£	1990 £
CURRENT ASSETS					
Debtors					
Trade debtors		1,164,761		480,500	
Amounts owed by group undertakings		1,183,853		1,129,224	
Other debtors		20,489		-	
Prepayments and accrued income		-	2,369,103	106,766	1,716,490
Cash at bank and in hand			50		50
			2,369,153		1,716,540

CREDITORS: amounts falling due  
within one year

Trade creditors	-		175,382	
Corporation tax	20,000		37,850	
Accruals and deferred income	12,500	32,500	8,538	221,770

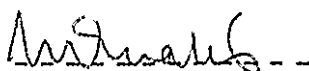
NET CURRENT ASSETS BEING TOTAL ASSETS  
LESS CURRENT LIABILITIES

£2,336,653 £1,494,770

CAPITAL AND RESERVES

Called up share capital	4	201	201
Profit and loss account	5	2,336,452	1,494,569

Approved by the Board on 26 MARCH 1992



M.E. WATES  
DIRECTOR

£2,336,653

£1,494,770

**WATES LANCEWOOD ESTATES LIMITED**  
**NOTES FORMING PART OF THE ACCOUNTS**  
**31ST DECEMBER 1991**

**1. Accounting policies****(i) Basis of accounting**

The financial statements are prepared on the basis of historical cost and in accordance with applicable accounting standards.

**(ii) Turnover**

Turnover represents sales of properties and land completed during the year.

**2. Operating profit (1990-loss)**

	1991	1990
This is stated after charging:-		
Auditors' remuneration	£1,150	£1,100

**3. Taxation**

The charge for taxation shown in the profit and loss account comprises:

	1991 £	1990 £
Corporation tax on the adjusted profit for the year at the rate of 33.25% (1990-35%)	20,000	37,162
Adjustment in respect of earlier year	<u>(863)</u>	<u>-</u>
	<u>£19,137</u>	<u>£37,162</u>

The charge to corporation tax for the year has been reduced by approximately £266,000 following utilisation of tax losses brought forward from earlier years.

**4. Called up share capital**

	1991 and 1990 £
Authorised:	
200 Ordinary shares of £1 each	200
1 Controlling redeemable preference share of £1	1
799 Unclassified shares of £1 each	<u>799</u>
	<u>£1,000</u>
Allotted and fully paid:	
200 Ordinary shares of £1 each	200
1 Controlling redeemable preference share of £1	<u>1</u>
	<u>£201</u>

The controlling redeemable preference share is redeemable by the company at par upon seven days' notice.

## WATES LANCEWOOD ESTATES LIMITED

## NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)

31ST DECEMBER 1991

## 5. Profit and loss account

	£
At 1st January 1991	1,494,569
Profit for the financial year	<u>841,883</u>
At 31st December 1991	<u>£2,336,452</u>

## 6. Contingent liability

The assets of the company are subject to a floating charge created as security for amounts owing to the bankers of its immediate parent company, Wates Limited, which at 31st December 1991 amounted to approximately £2.6 million.

## 7. Ultimate parent company

The company's ultimate parent company is Wates Building Group Limited, registered in England and Wales.

## WATES LANCEWOOD ESTATES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED  
31ST DECEMBER 1991

	1991	1990
	£	£
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before taxation	<u>£861,020</u>	<u>£108,002</u>
<b>APPLICATION OF FUNDS</b>		
Taxation paid	36,987	15,587
Increase in working capital:		
Debtors	652,613	129,246
Creditors	<u>171,420</u>	<u>(36,831)</u>
	<u>£861,020</u>	<u>£108,002</u>



## WATES LANCEWOOD ESTATES LIMITED

## OPERATING PROFIT (1990-LOSS) FOR THE YEAR ENDED 31ST DECEMBER 1991

	£	1991 £	£	1990 £
Sales		795,516		3,750
Deduct:				
Production costs	(77,829)		2,601	
Selling expenses	-		86	
Legal and professional expenses	11,025		940	
Audit fee	1,150		1,100	
Insurance	125		182	
General expenses	25	(65,504)	-	4,909
OPERATING PROFIT (1990-LOSS)		<u>£861,020</u>		<u>£(1,159)</u>