

WATES LANCEWOOD ESTATES LIMITED
Directors' report and
financial statements
for the year ended
31st December 1995



WATES LANCEWOOD ESTATES LIMITED**DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31st December 1995.

Principal activities and business review

The company has not traded during the year and is unlikely to do so in the foreseeable future.

Results and dividend

The company neither received income nor incurred expenditure during the year. The directors do not propose payment of a dividend for the year.

Directors and their interests

The directors throughout the year were as follows:-

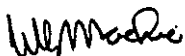
Sir Christopher Wates
M.E. Wates
P.C.R. Wates

The directors have no shareholding interests required to be reported under section 234(3) of the Companies Act 1985.

Auditors

The auditors, Slater, Chapman and Cooke, continue in office in accordance with an elective resolution.

By order of the Board



W.G. Mackie, Secretary
25th March 1996

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

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 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 of the state of the company's affairs as at 31st December 1995 and of its result for the year then ended and have been properly prepared in the accordance with the Companies Act 1985.

Slater, Chapman & Cooke

LONDON
25th March 1996

SLATER, CHAPMAN & COOKE
Chartered Accountants and
Registered Auditors

WATES LANCEWOOD ESTATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1995

	Notes	1995 £	1994 £
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation	3	<u>-</u>	<u>162</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	162
Balance brought forward from previous account		<u>106,592</u>	<u>106,430</u>
RETAINED PROFIT CARRIED FORWARD		<u>£106,592</u>	<u>£106,592</u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the result for the above two financial years.

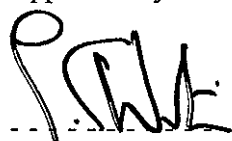
CONTINUING OPERATIONS

The company has not traded during the year and has no continuing operations.

WATES LANCEWOOD ESTATES LIMITED
BALANCE SHEET AT 31ST DECEMBER 1995

	Notes	1995 £	1994 £
CURRENT ASSETS			
Debtors			
Amounts owed by group undertakings		<u>106,793</u>	<u>106,793</u>
NET CURRENT ASSETS BEING TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£106,793</u></u>	<u><u>£106,793</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	201	201
Profit and loss account		<u>106,592</u>	<u>106,592</u>
SHAREHOLDERS' FUNDS	5	<u><u>£106,793</u></u>	<u><u>£106,793</u></u>

Approved by the Board of Directors on 25th March 1996



Sir Christopher Wates
DIRECTOR

WATES LANCEWOOD ESTATES LIMITED

NOTES TO THE ACCOUNTS

31ST DECEMBER 1995

1. Statement of directors' responsibilities

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 and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgments and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- iv) 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 steps for the prevention and detection of fraud and other irregularities.

2. Accounting policies

Basis of accounting

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

3. Taxation

The credit for taxation shown in the profit and loss account for 1994 comprises an adjustment to the corporation tax liability of previous years.

4. Called up share capital

	1995 and 1994 £
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>
Issued 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 carries no voting rights or rights to participate in the profits of the company and is redeemable by the company at par upon seven days' notice.

WATES LANCEWOOD ESTATES LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

31ST DECEMBER 1995

5. Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Shareholders' funds at 1st January	106,793	106,631
Profit on ordinary activities after taxation	<u>-</u>	<u>162</u>
Shareholders' funds at 31st December	<u>£106,793</u>	<u>£106,793</u>

6. Ultimate parent company

The company's immediate parent company and ultimate parent company are Wates Built Homes Limited and Wates Building Group Limited, registered in England and Wales.