

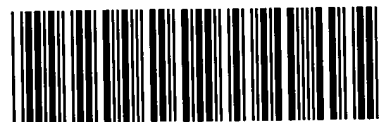
WARDS CONSTRUCTION (INVESTMENTS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

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WARDS CONSTRUCTION (INVESTMENTS) LIMITED

COMPANY INFORMATION

DIRECTORS

S J Boyes
M S Clare (resigned 31 July 2015)
D F Thomas
N Cooper (appointed 23 November 2015)

COMPANY SECRETARY

Barratt Corporate Secretarial Services Limited

REGISTERED NUMBER

01132078

REGISTERED OFFICE

Barratt House, Cartwright Way, Forest Business Park
Bardon Hill
Coalville
Leicestershire
LE67 1UF

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
UK

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

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WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The Directors present their annual report and the financial statements for the year ended 30 June 2016.

This Directors' report has been prepared in accordance with the provisions applicable to small companies applying the small companies exemption. The Company is exempt under s414B of the Companies Act 2006 from the requirement to produce a strategic report.

PRINCIPAL ACTIVITIES, RESULTS, DIVIDENDS AND FUTURE OUTLOOK

The principal activity of the Company was residential property development. All development has been completed in previous years. The Directors do not currently anticipate developing any further sites through this Company.

The profit for the year, after taxation, amounted to £106,000 (2015: £31,000).

The Directors do not recommend the payment of a dividend (2015: £nil).

GOING CONCERN

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 30 June 2016 the Company had net assets of £1,832,000 including amounts due from Group (Barratt Developments PLC and its subsidiary undertakings, the 'Group') undertakings of £1,675,000. 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. Factors that particularly affect the performance of the Group include changes in the macroeconomic environment including buyer confidence, availability of mortgage finance for the Group's customers and interest rates.

The Group has total committed bank facilities and private placement notes of £848.3m. The final maturity dates of these facilities range from August 2017 to July 2021, with £150.0m of the revolving credit facility maturing in December 2017 and £550.0m of the revolving credit facility maturing in December 2019. The committed facilities and private placement notes provide appropriate headroom above our current forecast debt requirements.

In addition to these committed borrowing facilities the Group has £22.5 of financing from the Government's 'Get Britain Building' and 'Growing Places Fund' schemes. The outstanding funds are repayable between December 2016 and March 2018. Further committed loan facilities of £4.6m are available under agreements with local government which are due to be repaid between March 2018 and March 2020.

Accordingly, after making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is an expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors who served during the year were:

S J Boyes
M S Clare (resigned 31 July 2015)
D F Thomas
N Cooper (appointed 23 November 2015)

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' INDEMNITIES

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and Company Secretary of all Group companies, including Wards Construction (Investments) Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

AUDITOR

Deloitte LLP has indicated a willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the board on 17 November 2016 and signed on its behalf.



N Cooper
Director

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

The Directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless 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 judgments 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.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDS CONSTRUCTION (INVESTMENTS) LIMITED

We have audited the financial statements of Wards Construction (Investments) Limited for the year ended 30 June 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor's 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 auditor

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit 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 matters 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.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDS CONSTRUCTION (INVESTMENTS) LIMITED

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 from preparing a Strategic Report or in preparing the Directors' Report.



James Wright FCA (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants and Statutory Auditor

London
UK

17 November 2016

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 £000	2015 £000
Cost of sales		-	(69)
Gross profit/(loss)		<u>-</u>	<u>(69)</u>
Other operating income		17	-
Operating profit/(loss)		<u>17</u>	<u>(69)</u>
Interest receivable and similar income	5	116	108
Profit before tax		<u>133</u>	<u>39</u>
Tax on profit	6	(27)	(8)
Profit for the year		<u><u>106</u></u>	<u><u>31</u></u>
 Total comprehensive income for the year		 <u><u>106</u></u>	 <u><u>31</u></u>

There was no other comprehensive income for 2016 or 2015.

The notes on pages 9 to 15 form part of these financial statements.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED
REGISTERED NUMBER: 01132078

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 £000	2015 £000
FIXED ASSETS			
Investments	7	228	228
		<u>228</u>	<u>228</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	8	-	119
Debtors: amounts falling due within one year	8	1,675	1,448
		<u>1,675</u>	<u>1,567</u>
Creditors: amounts falling due within one year	9	(71)	(69)
NET CURRENT ASSETS		<u>1,604</u>	<u>1,498</u>
NET ASSETS		<u>1,832</u>	<u>1,726</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Retained earnings		1,832	1,726
SHAREHOLDER'S FUNDS		<u>1,832</u>	<u>1,726</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 November 2016.



N Cooper
Director

The notes on pages 9 to 15 form part of these financial statements.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016**

	Retained earnings	Total equity
	£000	£000
At 1 July 2015	1,726	1,726
Profit for the year	106	106
Total comprehensive income for the year	106	106
Movements in the year	-	-
At 30 June 2016	1,832	1,832

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2015**

	Retained earnings	Total equity
	£000	£000
At 1 July 2014	1,695	1,695
Profit for the year	31	31
Total comprehensive income for the year	31	31
Movements in the year	-	-
At 30 June 2015	1,726	1,726

The notes on pages 9 to 15 form part of these financial statements.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Wards Construction (Investments) Limited is incorporated in England and Wales. The address of its registered office is Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Going concern

The Directors have formed a judgement, at the time of approving the financial statements, that there is an expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements as set out in the going concern section of the Directors' Report.

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt Developments PLC as at 30 June 2016 and these financial statements may be obtained from www.barrattdevelopments.co.uk or Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire.

Financial assets

Financial assets are classified as either 'fair value through profit and loss' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Secured loans

Secured loans are held at fair value calculated as the present value of expected future cash flows, taking into account the estimated market value of the property at the estimated time of repayment, and are classified as "fair value through profit and loss". Gains and losses arising from changes in fair value impairment losses, changes in future cash flows and interest calculated using the 'effective interest rate' method are recognised directly in the Income Statement.

Debtors

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets and are measured at amortised cost less an allowance for any uncollectable amounts. The net of these balances are classified within 'debtors' in the Statement of Financial Position.

Debtors are classified as 'loans and receivables'.

Financial liabilities

All non-derivative financial liabilities are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the 'effective interest rate' method.

Other financial liabilities consist of bank borrowings and trade creditors and other payables.

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the year end date.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. ACCOUNTING POLICIES (continued)

1.5. Financial instruments (continued)

Trade creditors and other payables

Trade creditors and other payables on normal terms are not interest bearing and are stated at amortised cost.

Trade and other payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate by discounting at prevailing market interest rates at the date of recognition. The discount to nominal value, which will be paid in settling the deferred purchase terms liability, is amortised over the period of the credit term and charged to finance costs using the 'effective interest rate' method.

1.6 Taxation

UK Corporation tax is provided on taxable profits at the current rate.

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described in the accounting policies note, the Directors have made no individual judgements that have a significant impact upon the Financial Statements, and no estimates have been required.

3. OTHER OPERATING INCOME

	2016 £000	2015 £000
Other operating income	17	-
	<u>17</u>	<u>-</u>

Other operating income in the year comprises income received on the disposal of equity share loans of £17,000.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

4. OPERATING PROFIT/(LOSS)

Fees payable to auditor

Fees payable to the Company's auditor for the audit of the Company's financial statements were borne by another Group company and amounted to £3,000 in the current year (2015: £3,000).

Fees paid to the Company's auditor for tax compliance were borne by another Group company and amounted to £1,000 in the current year (2015: £1,500).

Directors and employees

No Director received separate emoluments in respect of their services to this Company (2015: £nil).

S J Boyes, M S Clare, D F Thomas and N Cooper are or were also Directors of the holding company, Barratt Developments PLC. The Directors received total emoluments of £4,153,000 (2015: £4,430,000) during the year, paid by other Group companies. It is not practicable to allocate the emoluments for the Directors between their services as a Director of the Company and other Group companies.

The Company had no employees during the year or prior year.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £000	2015 £000
Interest receivable from Group companies	113	102
Imputed interest on secured loans	3	6
	<u>116</u>	<u>108</u>

6. TAXATION

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	27	8
Total current tax	<u>27</u>	<u>8</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%) as set out below:

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

6. TAXATION (continued)

	2016 £000	2015 £000
Profit on ordinary activities before tax	<u>133</u>	<u>39</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	<u>27</u>	<u>8</u>
Total tax charge for the year	<u>27</u>	<u>8</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

As set out in the Finance (No. 2) Act 2015, as amended by the Finance Act 2016, the main rate of corporation tax will reduce from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from April 2020.

There is no unrecognised deferred tax asset or liability in either year.

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2015	<u>228</u>
At 30 June 2016	<u>228</u>
Net book value	
At 30 June 2016	<u>228</u>
At 30 June 2015	<u>228</u>

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Wards Construction (Industrial) Limited	England and Wales	Ordinary	100 %	Development of property for resale

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 on the balance sheet.

8. DEBTORS

	2016 £000	2015 £000
Due after more than one year		
- Secured loans	-	119
	-	119
	-	119
Due within one year		
Amounts owed by Group undertakings	1,675	1,448
	1,675	1,448
	1,675	1,448

The amounts due from Group undertakings are unsecured and repayable on demand. A market rate of interest has been credited on an intercompany loan of £1,204,000 due from BDW Trading Limited. The remaining intercompany debt of is interest free.

WARDS CONSTRUCTION (INVESTMENTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

9. CREDITORS: Amounts falling due within one year

	2016 £000	2015 £000
Corporation tax	27	8
Accruals and deferred income	44	61
	71	69

10. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	100	100

11. CONTROLLING PARTY

The Directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2016. The consolidated financial statements of Barratt Developments PLC are available from Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

The immediate parent company is Wilson Bowden Limited, a company registered in England and Wales.

12. FIRST TIME ADOPTION OF FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standards 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2015 and the date of transition to FRS 102 was therefore 1 July 2014.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.