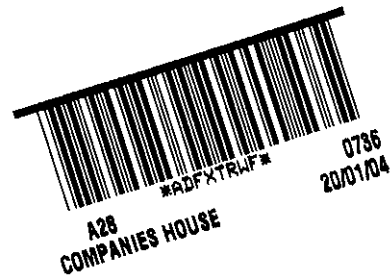


**ANTLER HOMES NORTH WEST PLC**

**Report and Financial Statements**

**15 month period ended 30 June 2003**

**Deloitte & Touche  
Douglas  
Isle of Man**



# **ANTLER HOMES NORTH WEST PLC**

## **REPORT AND FINANCIAL STATEMENTS 2003**

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# **ANTLER HOMES NORTH WEST PLC**

## **REPORT AND FINANCIAL STATEMENTS 2003**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P A Fitzgerald  
R F Foster  
S Millgate  
G F Potton  
J Reid

#### **SECRETARY**

S Millgate

#### **REGISTERED OFFICE**

Edgeborough House  
Upper Edgeborough Road  
Guilford  
Surrey  
GU1 2BJ

#### **BANKS**

Barclays Bank Plc  
London Corporate Banking  
PO Box 544  
54 Lombard Street  
London EC3V 9EX

Investec Bank (UK) Limited  
2 Gresham Street  
London  
EC2V 7QP

#### **SOLICITORS**

Hill Dickenson  
34 Cuppin Street  
Chester  
CH1 2BN

Field Cunningham & Co  
St Johns Court  
70 Quarry Street  
Manchester  
M3 3EJ

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants & Registered Auditors  
Douglas, Isle of Man

# **ANTLER HOMES NORTH WEST PLC**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the 15 month period ended 30 June 2003.

### **ACTIVITIES**

The principal activity of the Company continues to be property development.

### **ACCOUNTING PERIOD**

During the period the Company changed its accounting reference date from 31 March to 30 June in order to coincide with the new parent company's accounting reference date.

### **REVIEW OF BUSINESS AND FUTURE PROSPECTS**

During the course of the period, the activities of both the Group and the Company continued to suffer from delays within the planning process which had a consequent impact on the timing of build starts. This, combined with the cooling of the sales market in Spring 2003 (as a result of economic uncertainty due to world events), resulted in delays to the Company's anticipated income stream.

The Group Board and local management have implemented a number of changes to the structure and processes of the operation, and are thus confident that both the Group and the Company are well placed to produce improved results in the next financial year.

### **GROUP REORGANISATION**

On 30 June 2003, as part of a group reorganisation, the Company's immediate parent company became a subsidiary of Antler Homes Limited, a company incorporated in the British Virgin Islands. There has been no change in the ultimate parent undertaking.

### **RESULTS AND DIVIDENDS**

The profit for the period attributable to members amounted to £96,191 (restated profit for the year ended 31 March 2002: £855,870). The directors do not recommend the payment of a dividend (2002: £nil). The profit for the period has been transferred to reserves.

The directors are satisfied that adequate provision has been made to finance the Company.

### **CREDITOR DAYS AND PAYMENT TERMS**

It is Company policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice. The creditor days of the company at 30 June 2003 were 31 (2002 :51) based on the ratio of period end stocks to period end trade creditors.

# ANTLER HOMES NORTH WEST PLC

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1. All the directors served throughout the period and to date, with the following exceptions:

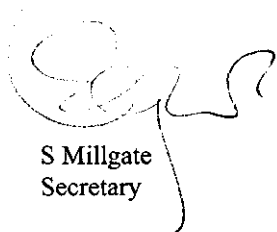
	Appointed	Resigned
I M Ramsay	-	24 January 2003
R J Dodd	-	30 June 2003
I G Sanderson	-	9 April 2002
D P Wood	-	31 August 2003
D P Sheard	-	13 September 2002
R F Foster	29 April 2002	-
G F Potton	29 April 2002	-
S Millgate	30 September 2002	-

No director has or had at any time during the period any interest in the shares of the company or any other group undertaking.

### AUDITORS

Deloitte & Touche (Isle of Man) have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S Millgate  
Secretary

22 December 2003

## **ANTLER HOMES NORTH WEST PLC**

### **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 as at the end of the financial period 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANTLER HOMES NORTH WEST PLC**

We have audited the financial statements of Antler Homes North West Plc (the "Company") for the 15 month period ended 30 June 2003 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 19. 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'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 for the above period and consider the implications for our report if we become aware of any apparent misstatements.

### **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 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 30 June 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

Douglas

Isle of Man

22 December 2003

# ANTLER HOMES NORTH WEST PLC

## PROFIT AND LOSS ACCOUNT

15 month period ended 30 June 2003

	Note	Period ended 30 June 2003 £	Year ended March 31 2002 Restated (Note 1) £
Turnover		6,115,424	9,822,515
Cost of sales		(4,946,583)	(8,141,653)
Gross profit		1,168,841	1,680,862
Administrative expenses		(1,106,160)	(890,755)
Other operating income	2	29,245	74,983
Operating profit	3	91,926	865,090
Other interest receivable and similar income	5	9,877	5,041
Interest payable and similar charges	6	(5,612)	(6,457)
Profit on ordinary activities before taxation		96,191	863,674
Tax on profit on ordinary activities	7	-	(7,804)
Profit for the financial period/year	15	96,191	855,870

The directors consider that the Company's activities are continuing. As there are no recognised gains or losses for the current and prior financial period/year except as stated in the profit and loss account other than the prior year adjustment described in note 1, a Statement of Total Recognised Gains and Losses has not been produced.

The profit and loss account for the year ended 31 March 2002 has been restated following the adoption of a new revenue recognition policy (see note 1).



# ANTLER HOMES NORTH WEST PLC

## BALANCE SHEET

As at 30 June 2003

	Note	30 June 2003	30 June 2003	31 March 2002 Restated (Note 1)	31 March 2002 Restated (Note 1)
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<u>109,250</u>		<u>91,807</u>
<b>CURRENT ASSETS</b>					
Stocks	9	6,474,437		3,916,761	
Debtors	10	40,357		43,480	
Cash at bank and in hand		123		27,567	
		<u>6,514,917</u>		<u>3,987,808</u>	
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Bank loans and overdrafts	11	4,613,186		3,369,827	
Obligations under hire purchase agreements	12	25,833		34,053	
Trade creditors		541,216		542,222	
Amount owed to parent undertaking		2,223,819		1,371,307	
Other creditors including taxation and social security		226,401		-	
Accruals and deferred income		<u>150,322</u>		<u>54,500</u>	
		<u>7,780,777</u>		<u>5,371,909</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,265,860)</u>		<u>(1,384,101)</u>
<b>TOTAL ASSETS LESS NET CURRENT LIABILITIES</b>			<u>(1,156,610)</u>		<u>(1,292,294)</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	12		<u>(47,092)</u>		<u>(7,599)</u>
<b>NET LIABILITIES</b>			<u>(1,203,702)</u>		<u>(1,299,893)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		814,150		814,150
Profit and loss account	15		<u>(2,017,852)</u>		<u>(2,114,043)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>			<u>(1,203,702)</u>		<u>(1,299,893)</u>

The balance sheet as of 31 March 2002 has been restated following the adoption of a new revenue recognition policy (see note 1).

These financial statements were approved by the Board of Directors on 22 December 2003.

Signed on behalf of the Board of Directors

  
G F Potton  
Director

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Going concern**

The directors have confirmed that the parent company has agreed to provide financial support to enable the Company to meet any shortfall in the Company's ability to meet its liabilities as they fall due. On this basis the directors are satisfied that the going concern basis of preparation of these financial statements continues to remain appropriate.

#### **Tangible fixed assets**

Assets are depreciated in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Motor vehicles, furniture and equipment 10 - 33%

#### **Stocks**

Developments in progress are included in stocks at the lower of cost and net realisable value. Cost comprises the cost of the property acquired, direct costs, and attributable interest. Net realisable value is the assessed sale price after deducting the cost of completing and selling.

#### **Leases and hire purchase agreements**

Assets held under finance leases and hire purchase agreements and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of such leases and agreements. The amounts by which the lease and hire purchase payments exceed the recorded obligations are treated as finance charges which are amortised over the relevant term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

#### **Deferred taxation**

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 financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Pension and other post retirement benefits**

The Parent Company operates on behalf of the Company a money purchase pension scheme. Contributions are charged to the profit and loss account in the period to which they relate.

#### **Cash flow statement**

Under an exemption available in paragraph 5 (a) FRS 1 (revised), the Company has not prepared a cashflow statement.

## ANTLER HOMES NORTH WEST PLC

### NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

#### 1. ACCOUNTING POLICIES (CONTINUED)

##### Turnover

Turnover excludes value added tax and represents:

- (i) the sales value of trading properties sold, which have been legally completed; and
- (ii) management fees receivable.

##### Recognition of income

In accordance with standard industry practice the Company has amended its accounting policy on the recognition of income. Turnover represents the total sales value of legally completed properties. Turnover and profit on sales are recognised upon legal completion. The effect of the change from the policy adopted in preceding years whereby turnover and profit were recognised at the year end on contracted sales, is more fully set out in the restatement of comparatives and prior years' earnings.

#### 2. OTHER OPERATING INCOME

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
Client extras and sundry income	23,250	70,548
Profit on disposal of fixed assets	-	406
Net rents from development properties awaiting disposal	5,995	4,029
	<u>29,245</u>	<u>74,983</u>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 3. OPERATING PROFIT

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
Operating profit is after charging:		
Auditors remuneration:		
Audit fee	9,390	7,611
Other services	5,000	4,000
Depreciation		
Owned assets	14,345	11,592
Loss on disposal of fixed assets	1,035	-
Assets held on hire purchase agreements	37,224	38,311
Operating leases	66,875	58,000

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
Directors' fees and other emoluments	296,823	294,377
Remuneration of highest paid director	121,640	98,664

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
Employee costs during the period:		
Wages and salaries	528,267	415,375
Social security costs	66,326	50,442
Other pension and life insurance costs	40,778	41,483
	635,371	507,300
The average number of persons employed was:	15	18

Directors' fees and other emoluments includes a contribution to the money purchase pension schemes on behalf of 4 directors of £12,725 (2002: £22,194).

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
Other interest receivable	9,877	5,041

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 30 June 2003 £	Year ended 31 March 2002 £
Bank loans, overdrafts and other loans repayable within 5 years	175,860	131,947
Finance charges –finance leases and hire purchase contracts	5,612	6,440
Less: allocated to stock	(175,860)	(131,930)
	5,612	6,457

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period Ended 30 June 2003 £	Year Ended 31 March 2002 £
<b>Current tax</b>		
Payment made for group losses	-	7,804
Overprovision of tax in prior years	-	-
<b>Total current tax</b>	-	7,804
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Tax on profit on ordinary activities</b>	-	7,804

Payment is made by the recipient of losses surrendered for group relief and calculated at the rate of 30% of the loss surrendered.

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The standard rate of current tax for the period is based on the standard rate of corporation tax in the United Kingdom of 30% (2002: 30%). The current period tax charge differs from the standard rate for the reasons set out in the following reconciliation.

Profit on ordinary activities before tax	96,191	863,674
Tax on profit on ordinary activities at standard rate	28,857	259,102
Factors affecting charge:		
Utilisation of brought forward losses	-	(165,837)
Utilisation of group losses	-	(7,804)
Losses carried forward	63,421	-
Depreciation in excess of capital allowances	6,834	9,033
Expenses not allowable for tax purposes	1,650	231
Adjustment due to change in accounting policy	(100,762)	(94,725)
Payment made for group losses	-	7,804
Current tax charge for the period	-	7,804

Unrelieved trading losses of £999,450 (2002 : £788,047) are carried forward and are available to reduce the tax liability in respect of future trading profits. A deferred tax asset has not been recognised in respect of these losses, as it is not considered prudent to do so at this time.

### 8. TANGIBLE FIXED ASSETS

	<b>Motor vehicles furniture &amp; equipment</b>
<b>Cost</b>	<b>£</b>
At 1 April 2002	188,212
Additions	79,410
Disposals	(82,114)
Intra-group transfer	45,076
At 30 June 2003	230,584
<b>Depreciation</b>	
At 1 April 2002	96,405
Charge for the period	51,569
Disposals	(52,629)
Intra-group transfer	25,990
At 30 June 2003	121,335
<b>Net book value</b>	
At 30 June 2003	109,250
At 31 March 2002	91,807

The net book value of fixed assets includes £84,780 (2002: £63,248) in respect of assets held under hire purchase agreements.

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 9. STOCKS

	30 June 2003	31 March 2002 restated (Note 1)
Stocks comprise land and buildings in progress held for development and resale.	£	£
Cost or net realisable value	<u>6,474,437</u>	<u>3,916,761</u>
Interest capitalised in stock is £131,751 (2002 : £117,155).		

### 10. DEBTORS

	30 June 2003	31 March 2002 restated (Note 1)
	£	£
Trade debtors	5,466	8,095
Other debtors		
Due within one year	12,154	34,506
Due after one year	4,319	879
Prepayments and accrued income	<u>18,418</u>	<u>-</u>
	<u>40,357</u>	<u>43,480</u>

### 11. BANK LOANS AND OVERDRAFTS

The bank loans are secured by a first legal charge over each of the company's residential sites, a debenture over the assets of the company and a limited guarantee from the ultimate parent company.

### 12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	30 June 2003	31 March 2002
Amounts payable:	£	£
Due within one year	<u>25,833</u>	<u>34,053</u>
Due after one year	<u>47,092</u>	<u>7,599</u>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

### 13. OPERATING LEASE COMMITMENTS

The annual commitments under operating leases are analysed according to the period in which each lease expires as follows:

	30 June 2003 £	31 March 2002 £
Land and buildings:		
Leases expiring within 1 and 2 years	-	-
Leases expiring between 2 and 5 years	-	-
Lease expiring after 5 years	53,500	53,500

### 14. CALLED UP SHARE CAPITAL

	30 June 2003 £	31 March 2002 £
Ordinary shares of £1 each		
Authorised 2,000,000 shares	2,000,000	2,000,000
Called up, allotted and fully paid - 814,150 shares	814,150	814,150

### 15. PROFIT AND LOSS ACCOUNT

	Period ended 30 June 2003 £	Year ended 31 March 2002 £
Balance at beginning of period as previously stated	(1,778,168)	(2,318,287)
Prior period adjustment (Note 1)	(335,875)	(651,626)
At beginning of period as restated	(2,114,043)	(2,969,913)
Profit for the period	96,191	855,870
Balance at end of the period as restated	(2,017,852)	(2,114,043)

The profit for the year ended 31 March 2002 as previously reported was £540,119.



## ANTLER HOMES NORTH WEST PLC

### NOTES TO THE ACCOUNTS

15 month period ended 30 June 2003

#### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period ended 30 June 2003 £	Year ended 31 March 2002 £
Profit for the financial period / year	96,191	855,870
Net addition to shareholders' funds	96,191	855,870
Opening shareholders' deficit	(1,299,893)	(2,155,763)
Closing shareholders' deficit	(1,203,702)	(1,299,893)

#### 17. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Antler Homes Plc, a company registered in England and Wales. The ultimate parent company is Antler Property Corporation Limited, a company having been incorporated in Bermuda, discontinued and holding a certificate of continuance in the British Virgin Islands.

Antler Homes Limited, a company incorporated in the British Virgin Islands and the parent company of Antler Homes Plc, is considered to be the controlling party of the company. The ultimate controlling party is considered to be the Trustee of the P S Gower Settlement.

#### 18. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard No.8 not to disclose transactions between entities, 90% or more of whose voting rights are controlled within the Antler Homes Plc group.

#### 19. PENSION CONTRIBUTIONS

The Parent Company operates a money purchase scheme. The cost for the period was £24,433 (2002: £28,595).