

**ANTLER HOMES NORTH WEST PLC**

**Report and Financial Statements**

**Year ended 30 June 2004**

**Deloitte & Touche  
Douglas  
Isle of Man**



# **ANTLER HOMES NORTH WEST PLC**

## **REPORT AND FINANCIAL STATEMENTS 2004**

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# **ANTLER HOMES NORTH WEST PLC**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P M Dover  
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 year ended 30 June 2004.

### ACTIVITIES

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

### REVIEW OF BUSINESS AND FUTURE PROSPECTS

The Group Board and local management are satisfied with the results for the period and the Company's financial position and future prospects at 30 June 2004.

### RESULTS AND DIVIDENDS

The profit for the year attributable to members amounted to £688,343 (profit for the period ended 30 June 2003: £96,191). The directors do not recommend the payment of a dividend (2003: £nil). The profit for the year has been transferred to reserves.

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

### CREDITOR 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.

### DIRECTORS AND THEIR INTERESTS

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

	Appointed	Resigned
D P Wood	-	31 August 2003
P M Dover	30 January 2004	

No director has or had at any time during the year 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



30 September 2004

## **ANTLER HOMES NORTH WEST PLC**

### **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 as at the end of the financial year and of the profit or loss of the company for that year. 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.

## ANTLER HOMES NORTH WEST PLC

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

We have audited the financial statements of Antler Homes North West Plc for the year ended 30 June 2004 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 20. 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 year 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 2004 and of its profit for the year 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

30 September 2004

# ANTLER HOMES NORTH WEST PLC

## PROFIT AND LOSS ACCOUNT Year ended 30 June 2004

	Note	Year ended 30 June 2004 £	15 month Period ended 30 June 2003 £
Turnover	1	9,159,950	6,115,424
Cost of sales		(7,560,019)	(5,074,059)
Gross profit		1,599,931	1,041,365
Administrative expenses		(938,386)	(978,684)
Other operating income	2	38,646	29,245
Operating profit	3	700,191	91,926
Other interest receivable and similar income	5	375	9,877
Interest payable and similar charges	6	(2,755)	(5,612)
Profit on ordinary activities before taxation		697,811	96,191
Tax on profit on ordinary activities	7	(9,468)	-
Profit for the financial period/year	15	688,343	96,191

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

# ANTLER HOMES NORTH WEST PLC

## BALANCE SHEET

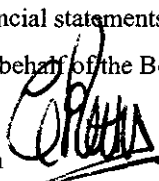
As at 30 June 2004

	Note	2004	2004	2003	2003
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		136,255		109,250
<b>CURRENT ASSETS</b>					
Stocks	9	9,417,264		6,474,437	
Debtors	10	182,795		40,357	
Cash at bank and in hand		13		123	
		<u>9,600,072</u>		<u>6,514,917</u>	
<b>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Bank loans and overdrafts	11	5,888,507		4,613,186	
Obligations under hire purchase agreements	12	51,902		25,833	
Trade creditors		1,157,622		541,216	
Amount owed to parent undertaking		2,957,615		2,223,819	
Other creditors including taxation and social security		36,401		226,401	
Accruals and deferred income		90,444		150,322	
		<u>10,182,491</u>		<u>7,780,777</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(582,419)</u>		<u>(1,265,860)</u>
<b>TOTAL ASSETS LESS NET CURRENT LIABILITIES</b>			<u>(446,164)</u>		<u>(1,156,610)</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	12		<u>(69,195)</u>		<u>(47,092)</u>
<b>NET LIABILITIES</b>			<u><u>(515,359)</u></u>		<u><u>(1,203,702)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		814,150		814,150
Profit and loss account	15		<u>(1,329,509)</u>		<u>(2,017,852)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>			<u><u>(515,359)</u></u>		<u><u>(1,203,702)</u></u>

These financial statements were approved by the Board of Directors on 30 September 2004.

Signed on behalf of the Board of Directors

G F Potton  
Director





# **ANTLER HOMES NORTH WEST PLC**

## **NOTES TO THE ACCOUNTS**

**Year ended 30 June 2004**

### **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**

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.

Rentals under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such a basis.

#### **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 cash flow statement.

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

Year ended 30 June 2004

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Turnover

Turnover excludes value added tax and represents the sales value of trading properties sold, which have been legally completed. All of the turnover and results before tax are derived from the company's principal activity and arise wholly within the United Kingdom.

### 2. OTHER OPERATING INCOME

	Year Ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
Client extras and sundry income	35,331	23,250
Net rents from development properties awaiting disposal	3,315	5,995
	<u>38,646</u>	<u>29,245</u>

### 3. OPERATING PROFIT

	Year Ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
Operating profit is after charging:		
Auditors remuneration:		
Audit fee	9,090	9,390
Other services	(2,496)	5,000
Depreciation:		
Owned assets	9,716	14,345
Assets held on hire purchase agreements	41,086	37,224
(Profit)/loss on disposal of fixed assets	(13,298)	1,035
Operating lease rentals	<u>52,654</u>	<u>66,875</u>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

Year ended 30 June 2004

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year Ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
Directors' fees and other emoluments	320,771	296,823
Other pension and life insurance costs	19,452	12,725
	<u>340,223</u>	<u>309,548</u>
Remuneration of highest paid director	<u>156,964</u>	<u>121,640</u>
Four directors are members of the money purchase scheme		
Employee costs during the year/period:		
Wages and salaries	517,883	528,267
Social security costs	59,122	66,326
Other pension and life insurance costs	42,518	40,778
	<u>619,523</u>	<u>635,371</u>
The average number of persons employed was:	<u>20</u>	<u>15</u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
Other interest receivable	<u>375</u>	<u>9,877</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
Bank loans, overdrafts and other loans repayable within 5 years	427,475	175,860
Finance charges – finance leases and hire purchase contracts	2,752	5,612
Less: allocated to stock	<u>(427,472)</u>	<u>(175,860)</u>
	<u>2,755</u>	<u>5,612</u>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

Year ended 30 June 2004

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year Ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
<b>Current tax</b>		
UK corporation tax	7,452	-
Underprovision of tax in prior years	2,016	-
<b>Total current tax</b>	9,468	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Tax on profit on ordinary activities</b>	9,468	-

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

The standard rate of current tax for the year is based on the standard rate of corporation tax in the United Kingdom of 30% (2003: 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	697,811	96,191
Tax on profit on ordinary activities at standard rate	209,343	28,857
Factors affecting charge:		
Utilisation of brought forward losses	(192,381)	-
Land remediation relief	(3,198)	-
Losses carried forward	-	63,421
Capital allowances (in excess of)/less than depreciation	(6,253)	6,834
Expenses not allowable for tax purposes	206	1,650
Adjustment due to change in accounting policy	-	(100,762)
Availability of marginal tax relief	(265)	-
Underprovision of tax in prior years	2,016	-
<b>Current tax charge for the year/period</b>	9,468	-

Unrelieved trading losses of £362,151 (2003: £999,450) 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. Unprovided deferred tax assets in respect of tax losses amount to £108,645 (2003: £299,835).

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS Year ended 30 June 2004

### 8. TANGIBLE FIXED ASSETS

	Motor vehicles furniture & equipment £
<b>Cost</b>	
At 1 July 2003	230,585
Additions	80,508
Disposals	(93,618)
	<hr/>
At 30 June 2004	217,475
	<hr/>
<b>Depreciation</b>	
At 1 July 2003	121,335
Charge for the year	50,802
Disposals	(90,917)
	<hr/>
At 30 June 2004	81,220
	<hr/>
<b>Net book value</b>	
At 30 June 2004	136,255
	<hr/>
At 30 June 2003	109,250
	<hr/>

The net book value of fixed assets includes £117,690 (2003: £84,780) in respect of assets held under hire purchase agreements.

### 9. STOCKS

Stocks comprise land and buildings in progress held for development and resale.

	2004 £	2003 £
Cost or net realisable value	9,417,264	6,474,437
	<hr/>	<hr/>

Interest capitalised in stock is £330,127 (2003: £131,751).

### 10. DEBTORS

	2004 £	2003 £
Trade debtors	42,954	5,466
Other debtors		
Due within one year	78,403	12,154
Due after one year	7,030	4,319
Prepayments and accrued income	54,408	18,418
	<hr/>	<hr/>
	182,795	40,357
	<hr/>	<hr/>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

Year ended 30 June 2004

### 11. BANK LOANS

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 2004	30 June 2003
	£	£
Amounts payable:		
Due within one year	51,902	25,833
Due between one and two years	50,508	24,268
Due between two and five years	18,687	22,824
	<u>121,097</u>	<u>72,925</u>

### 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 2004	30 June 2003
	£	£
Land and buildings:		
Lease expiring after 5 years	<u>53,500</u>	<u>53,500</u>

### 14. CALLED UP SHARE CAPITAL

	30 June 2004	30 June 2003
	£	£
<b>Ordinary shares of £1 each</b>		
Authorised 2,000,000 shares	<u>2,000,000</u>	<u>2,000,000</u>
Called up, allotted and fully paid - 814,150 shares of £1 each	<u>814,150</u>	<u>814,150</u>

# ANTLER HOMES NORTH WEST PLC

## NOTES TO THE ACCOUNTS

Year ended 30 June 2004

### 15. PROFIT AND LOSS ACCOUNT

	Year ended 30 June 2004 £	15 month Period Ended 30 June 2003 £
At beginning of year/period	(2,017,852)	(2,114,043)
Profit for the year /period	688,343	96,191
Balance at end of the year/period	<u>(1,329,509)</u>	<u>(2,017,852)</u>

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

	Year Ended 30 June 2004 £	15 month Period ended 30 June 2003 £
Profit for the financial year/period	688,343	96,191
Net addition to shareholders' deficit	688,343	96,191
Opening shareholders' deficit	<u>(1,203,702)</u>	<u>(1,299,893)</u>
Closing shareholders' deficit	<u>(515,359)</u>	<u>(1,203,702)</u>

### 17. PROPERTY PURCHASE COMMITMENTS AND CONTINGENT LIABILITIES

At the balance sheet date, the Company had entered into property purchase contracts amounting to £5,028,097 (2003: £nil), which are not accrued in the financial statements. This amount will become payable if planning permission is obtained for the properties concerned. The Company has given bond guarantees in the ordinary course of business amounting to £190,099 at the 30 June 2004.

### 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 Property Corporation Limited Group. The financial statements of the ultimate parent company are available to the public at Quantisky, Building, PO Box 905, Road Town, Tortola, British Virgin Islands.

### 19. PENSION CONTRIBUTIONS

The Parent Company operates a money purchase scheme. The cost to the Company for the year was £23,338 (2003: £24,433).

## **ANTLER HOMES NORTH WEST PLC**

### **NOTES TO THE ACCOUNTS**

**Year ended 30 June 2004**

#### **20. 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.

The parent undertaking of the largest group, which includes the company and for which which group accounts are prepared, is Antler Property Corporation Limited, the ultimate parent company.

The parent undertaking of the smallest such group is Antler Homes Plc., the immediate parent company.