

Redrow Homes (Wessex) Limited  
Annual report  
for the year ended 30 June 2007

Registered number 1940936

TUESDAY



\*AWSRDUTP\*

A11

20/11/2007

37

COMPANIES HOUSE

# Redrow Homes (Wessex) Limited

## Annual report

for the year ended 30 June 2007

### Contents

Directors and Advisors for the year ended 30 June 2007	1
Directors' report for the year ended 30 June 2007	2
Independent auditors' report to the members of Redrow Homes (Wessex) Limited	4
Profit and loss account for the year ended 30 June 2007	5
Balance sheet as at 30 June 2007	6
Statement of accounting policies	7
Notes to the financial statements for the year ended 30 June 2007	8

# **Redrow Homes (Wessex) Limited**

## **Directors and Advisors for the year ended 30 June 2007**

### **Directors**

D J Campbell-Kelly  
S G Hill  
C E Lewis  
I Young  
R D Sowden  
Redrow Homes Limited  
A Grundy

### **Secretary**

G A Cope

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Bankers**

Barclays Bank PLC  
Level 27  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

### **Registered office**

Redrow House  
St David's Park  
Flintshire  
CH5 3RX

### **Registered number**

1940936

# **Redrow Homes (Wessex) Limited**

## **Directors' report for the year ended 30 June 2007**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2007

### **Principal activities and business review**

The principal activity of company was residential development. On 1 July 2006, the activities of the company were transferred into Redrow Homes (South West) Limited. The company has been dormant since this point, and will remain so for the foreseeable future.

No turnover was reported for the year (2006 £4,183,311). Operating margin for the year was 0% (2006 0.1%).

Net assets as at 30 June 2007 of £550,812 were consistent with the prior year.

### **Results and dividends**

The directors do not recommend a dividend in respect of the year ended 30 June 2007 (2006 £nil).

The results for the financial year was £Nil (2006 loss of £133,855).

### **Directors**

The directors who held office during the year and up to the date of signing of the financial statements are given below.

Redrow Homes Limited

C E Lewis

S G Hill

D J Campbell-Kelly

- resigned 3 September 2007

I Young

R D Sowden

A Grundy

Redrow Homes Limited is the immediate parent company of the majority of the Redrow Homes trading subsidiaries.

# **Redrow Homes (Wessex) Limited**

## **Directors' report for the year ended 30 June 2007 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements for the year ended 30 June 2007.

The directors are responsible for keeping proper accounting records that 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 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.

### **Statement of provision of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Creditor payment policy**

The company values its relationships with suppliers and sub-contractors. It is the policy to agree credit terms prior to commencement of trading. Subject to any items of genuine dispute, it is policy to pay creditors within the terms agreed. At 30 June 2007, the company had 66 days' purchases outstanding in respect of payments to suppliers and sub-contractors (2006: 27 days).

### **Taxation status**

As far as the directors are aware, the company is not a close company as defined by Section 414 of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Auditors**

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

### **By order of the Board**



**G A Cope**  
Secretary

12 November 2007

# **Redrow Homes (Wessex) Limited**

## **Independent auditors' report to the members of Redrow Homes (Wessex) Limited**

We have audited the financial statements of Redrow Homes (Wessex) Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Manchester  
12 November 2007

## **Redrow Homes (Wessex) Limited**

### **Profit and loss account for the year ended 30 June 2007**

	Note	2007 £	2006 £
Turnover	1	-	4,183,311
Operating profit	1	-	2,307
Interest payable		-	(193,529)
Loss on ordinary activities before taxation	3	-	(191,222)
Tax on loss on ordinary activities	4	-	57,367
Loss for the financial year	9,10	-	(133,855)

All amounts relate to discontinued operations

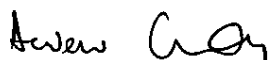
The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

# Redrow Homes (Wessex) Limited

## Balance sheet as at 30 June 2007

	Note	2007 £	2006 £
<b>Current assets</b>			
Stock	5	-	6,231,718
Debtors	6	399,998	14,931
Cash at bank and in hand		511,428	-
		911,426	6,246,649
<b>Creditors: amounts falling due within one year</b>	7	(360,614)	(5,695,837)
<b>Net assets</b>		<b>550,812</b>	<b>550,812</b>
<b>Capital and reserves</b>			
Called up share capital	8	10,000	10,000
Profit and loss account	9	540,812	540,812
<b>Total shareholders' funds</b>	10	<b>550,812</b>	<b>550,812</b>

The financial statements on pages 5 to 11 were approved by the board of directors on 12 November 2007 and were signed on its behalf by



A Grundy  
Director



# **Redrow Homes (Wessex) Limited**

## **Statement of accounting policies**

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention on a going concern basis.

### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value, cost including materials, labour and subcontract work.

### **Turnover and profit recognition**

Turnover represents sales of residential housing. Turnover and profit are recognised on legal completion.

### **Interest on borrowings**

Interest is written off to the profit and loss account as incurred.

### **Deferred taxation**

Deferred tax is provided on timing differences arising from the recognition of income and expenditure in different periods for taxation and accounting purposes where timing differences have originated but not reversed by the balance sheet date. Deferred tax is provided at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are only recognised to the extent that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

### **Cash flows**

The company is a wholly owned subsidiary of Redrow plc, and its cash flows are included in the consolidated cash flow statement of Redrow plc whose accounts are publicly available. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (revised 1996) to prepare a cash flow statement.

### **Forward Land**

All expenditure relating to forward land, including options, fees etc. is provided for when incurred. After exercise of an option and acquisition of the land following the securing of planning permission, the provisions relating to that land are released.

# **Redrow Homes (Wessex) Limited**

## **Notes to the financial statements for the year ended 30 June 2007**

### **1 Turnover and operating profit**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	-	4,183,311
<b>Cost of sales</b>	-	(4,174,311)
<b>Gross profit</b>	-	9,000
<b>Administrative expenses</b>	-	(6,693)
<b>Operating profit</b>	-	2,307

### **2 Directors and employees**

No director received any remuneration during 2007 and 2006. The company had nil (2006: 5) employees during the year.

### **3 Loss on ordinary activities before taxation**

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation is stated after charging		
Auditors' remuneration – audit services	-	3,200
Hire of plant and machinery	-	79,839

**Redrow Homes (Wessex) Limited**  
**Notes to the financial statements**  
**for the year ended 30 June 2007 (continued)**

**4 Tax on loss on ordinary activities**

	2007 £	2006 £
<b>Current taxation</b>		
United Kingdom corporation tax on loss for the period	-	(57,367)
Over provision in respect of prior periods	-	(4,367)
<b>Total current tax</b>	-	(61,734)
Deferred taxation	-	4,367
<b>Tax on loss on ordinary activities</b>	-	(57,367)
<b>Reconciliation of current taxation charge</b>		
Loss on ordinary activities before taxation	-	(191,222)
Loss on ordinary activities multiplied by standard rate of tax in the UK 30% (2006 30%)	-	(57,367)
Over provision in respect of prior periods	-	(4,367)
<b>Current tax charge for the year</b>	-	(61,734)

From 1 April 2008, the rate of corporation tax expected to apply will fall to 28% from 30%

**5 Stock**

	2007 £	2006 £
Land for development	-	3,751,385
Work in progress	-	2,299,270
Stock of showhomes	-	181,063
	-	6,231,718

# Redrow Homes (Wessex) Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 6 Debtors

	2007 £	2006 £
Owed by group undertakings	399,998	-
Other debtors	-	14,122
Current corporation tax	-	809
	399,998	14,931

Amounts owed by group undertakings are repayable on demand. Interest is charged at a commercial rate linked to the Bank of England base rate.

### 7 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank loans	-	472,402
Trade creditors	-	845,046
Amounts owed to group undertakings	360,614	2,979,268
Current corporation tax	-	1,351,804
Other taxation and social security payable	-	344
Accruals and deferred income	-	46,973
	360,614	5,695,837

Amounts owed to group undertakings are repayable on demand. Interest is incurred at a commercial rate linked to the Bank of England base rate.

Amounts owed to the company's ultimate holding company, Redrow plc, were secured at the balance sheet date by a floating charge over the company's present and future undertakings and assets. This charge did not take priority over any charge issued in favour of any other party. The charge was released post year end.

# Redrow Homes (Wessex) Limited

## Notes to the financial statements for the year ended 30 June 2007 (continued)

### 8 Called up share capital

	2007 £	2006 £
<b>Authorised</b>		
10,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	10,000	10,000

### 9 Reserves

	Profit and loss account £
At 1 July 2006 and 30 June 2007	540,812

### 10 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	-	(133,855)
Opening shareholders' funds	550,812	684,667
<b>Closing shareholders' funds</b>	<b>550,812</b>	<b>550,812</b>

### 11 Contingent liabilities

Performance bonds and other building guarantees have been entered into in the normal course of business

### 12 Related party transactions

As a wholly owned subsidiary of Redrow plc, whose accounts are publicly available, the company has taken advantage of the exemption under FRS8 not to disclose intra-group transactions. There have been no other related party transactions.

### 13 Ultimate Parent Undertaking

The immediate parent undertaking is Redrow Corporate Services Limited

The ultimate parent undertaking and controlling party is Redrow plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Redrow plc consolidated financial statements can be obtained from the Company Secretary, Redrow plc, Redrow House, St David's Park, Flintshire, CH5 3RX.