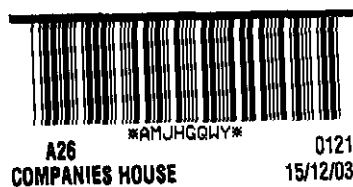


**Westgrove (Homes) Limited**

**Financial Statements**

**For the Year Ended**

**31 March 2003**



**Company Registration Number 2114598**

**BISHOP FLEMING**

Chartered Accountants & Registered Auditors

1 Barnfield Crescent

Exeter

EX1 1QY

# **Westgrove (Homes) Limited**

## **Financial Statements**

**Year Ended 31 March 2003**

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**The following pages do not form part of the financial statements**

Detailed profit and loss account	12
Notes to the detailed profit and loss account	13

## **Westgrove (Homes) Limited**

### **Officers and Professional Advisers**

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#### **The Board of Directors**

Mr K A C Pyne  
Mrs P R Baker  
Mr M T Baker  
Mr A K Slaney

#### **Company Secretary**

Mrs P R Baker

#### **Registered Office**

Baring House  
6 Baring Crescent  
Exeter  
Devon  
EX1 1TL

#### **Auditors**

Bishop Fleming  
Chartered Accountants  
& Registered Auditors  
1 Barnfield Crescent  
Exeter  
EX1 1QY

## Westgrove (Homes) Limited

### The Directors' Report

#### Year Ended 31 March 2003

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2003.

#### Principal activities and business review

The principal activity of the company during the year was the acquisition and development of residential property and other building works.

There was a profit for the year after taxation amounting to £5,669. The directors do not recommend payment of a dividend.

#### The directors and their interests in shares of the company

The directors who served the company during the year were as follows:

Mr K A C Pyne  
Mrs P R Baker  
Mr M T Baker  
Mr A K Slaney (appointed 1 August 2003)

This company is a wholly owned subsidiary. The interests of the directors in the parent company, M Baker (Holdings) Limited were as follows:

	Ordinary shares of £1 each	
	At 31 March 2003	At 31 March 2002
Mr K A C Pyne	-	-
Mrs P R Baker	1,186	1,186
Mr M T Baker	1,186	1,186
	<hr/>	<hr/>

#### 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

#### Auditors

A resolution to re-appoint Bishop Fleming as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

## Westgrove (Homes) Limited

### The Directors' Report *(continued)*

Year Ended 31 March 2003

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#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Baring House  
6 Baring Crescent  
Exeter  
Devon  
EX1 1TL

Signed on behalf of the directors



Mr K A C Pyne  
Director

Approved by the directors on ...27/11/03...

**Westgrove (Homes) Limited****Independent Auditors' Report to the Shareholders****Year Ended 31 March 2003**

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We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 7.

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 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 the directors and the auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

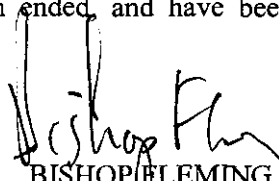
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 March 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

1 Barnfield Crescent  
Exeter  
EX1 1QY

  
BISHOP FLEMING  
Chartered Accountants  
& Registered Auditors

8 December 2003

**Westgrove (Homes) Limited****Profit and Loss Account****Year Ended 31 March 2003**

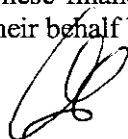
	Note	2003 £	2002 £
<b>Turnover</b>		<b>246,522</b>	266,493
Cost of sales		<u>120,367</u>	<u>140,424</u>
<b>Gross profit</b>		<b>126,155</b>	126,069
Distribution costs		13,261	17,445
Administrative expenses		<u>105,819</u>	<u>83,815</u>
<b>Operating profit</b>	2	<b>7,075</b>	24,809
Interest receivable		19	—
Interest payable		<u>(1,425)</u>	<u>(1,778)</u>
<b>Profit on ordinary activities before taxation</b>		<b>5,669</b>	23,031
Tax on profit on ordinary activities		—	—
<b>Retained profit for the financial year</b>		<b>5,669</b>	23,031
Balance brought forward		<u>140,635</u>	<u>117,604</u>
Balance carried forward		<u><b>146,304</b></u>	<u>140,635</u>

**Westgrove (Homes) Limited****Balance Sheet****31 March 2003**

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	4	17,810	34,204
<b>Current assets</b>			
Stocks	5	22,681	23,748
Debtors	6	199,861	168,719
Cash at bank		160	5,450
		<u>222,702</u>	<u>197,917</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>94,168</u>	<u>91,446</u>
<b>Net current assets</b>		<u>128,534</u>	<u>106,471</u>
<b>Total assets less current liabilities</b>		<u>146,344</u>	<u>140,675</u>
<b>Capital and reserves</b>			
Called-up equity share capital	11	40	40
Profit and Loss Account		<u>146,304</u>	<u>140,635</u>
<b>Shareholders' funds</b>		<u>146,344</u>	<u>140,675</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 27/11/03 and are signed on their behalf by:



Mr K A C Pyne  
Director



**Westgrove (Homes) Limited****Notes to the Financial Statements****Year Ended 31 March 2003**

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**1. Accounting policies****(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**(b) Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**(c) Depreciation**

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Plant & Machinery	- 20% straight line
Fixtures & Fittings	- 20% or 6 years straight line
Motor Vehicles	- 25% net book value

**(d) Stocks**

Stocks are stated at the lower of cost and net realisable value. Purchases and sales of properties are accounted for on completion. Contract work in progress is stated at cost less payments received on account.

**(e) Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**(f) Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

**(g) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Westgrove (Homes) Limited****Notes to the Financial Statements****Year Ended 31 March 2003****2. Operating profit**

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Staff pension contributions	19,946	19,909
Depreciation	18,119	19,325
Profit on disposal of fixed assets	(250)	(1,885)
Auditors' fees	2,250	2,200
	<u>2,250</u>	<u>2,200</u>

**3. Directors' emoluments**

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	77,000	69,000
Value of company pension contributions to money purchase schemes	18,000	18,000
	<u>95,000</u>	<u>87,000</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No.	No.
Money purchase schemes	<u>1</u>	<u>1</u>

# Westgrove (Homes) Limited

## Notes to the Financial Statements

### Year Ended 31 March 2003

#### 4. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2002	71,240	10,405	60,166	141,811
Additions	1,366	359	—	1,725
Disposals	—	—	(15,741)	(15,741)
<b>At 31 March 2003</b>	<b>72,606</b>	<b>10,764</b>	<b>44,425</b>	<b>127,795</b>
<b>Depreciation</b>				
At 1 April 2002	55,826	10,229	41,552	107,607
Charge for the year	13,162	303	4,654	18,119
On disposals	—	—	(15,741)	(15,741)
<b>At 31 March 2003</b>	<b>68,988</b>	<b>10,532</b>	<b>30,465</b>	<b>109,985</b>
<b>Net book value</b>				
<b>At 31 March 2003</b>	<b>3,618</b>	<b>232</b>	<b>13,960</b>	<b>17,810</b>
At 31 March 2002	15,414	176	18,614	34,204

#### 5. Stocks

	2003 £	2002 £
Stock	7,500	7,500
Raw materials	15,181	16,248
	<b>22,681</b>	<b>23,748</b>

#### 6. Debtors

	2003 £	2002 £
Trade debtors	41,502	41,747
Amounts owed by group undertakings	152,427	124,000
Other debtors	3,000	—
Prepayments and accrued income	2,932	2,972
	<b>199,861</b>	<b>168,719</b>

# Westgrove (Homes) Limited

## Notes to the Financial Statements

Year Ended 31 March 2003

### 7. Creditors: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	63,765	32,062
Trade creditors	14,535	14,113
Amounts owed to group undertakings	—	29,500
Other creditors including taxation and social security:		
PAYE and social security	6,425	9,894
VAT	5,398	—
Other creditors	295	1,371
Accruals and deferred income	3,750	4,506
	<u>94,168</u>	<u>91,446</u>

Bank loans and overdrafts are secured on the assets of the company.

### 8. Commitments under operating leases

At 31 March 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003	2002
	£	£
Operating leases which expire:		
After more than 5 years	<u>7,125</u>	<u>7,125</u>

### 9. Contingencies

An Unlimited Multilateral Company Guarantee has been given by Westgrove Projects Limited, M Baker (Holdings) Limited, M Baker (Property Services) Limited, Westgrove (Exeter) Limited, Westgrove (Homes) Limited, M Baker (South West) Limited, West Coast Wind Farms Limited, West Coast Wind Farms (Scotland) Limited, M Baker Recycling Limited and Tarker Limited to secure all liabilities of each other.

### 10. Related party transactions

Westgrove (Homes) Limited is a wholly owned subsidiary of M Baker (Holdings) Limited.

Mr M T and Mrs P R Baker are this company's controlling related parties by virtue of owning all the issued share capital of the parent company.

Included in turnover is work done of £10,746 (2002:£30,877) for the directors Mr M T and Mrs P R Baker and £43 (2002:£3,832) for Mr K A C Pyne for the development of their own properties. An amount of £687 (2002 - £nil) was outstanding from them at the year end and is included within trade debtors.

Also included in turnover is work done for group companies of £6,210 (2002 - £5,597). This included £388 to M Baker (South West) Limited, £777 to M Baker (Property Services) Limited and £5,045 to M Baker Recycling Limited.

# Westgrove (Homes) Limited

## Notes to the Financial Statements

Year Ended 31 March 2003

### 10. Related party transactions (continued)

At the year end M Baker (Property Services) Limited owed the company £152,427 (2002 - £124,000), and M Baker Recycling Limited owed the company £5,776 (2002 - £nil). These were the maximum amounts outstanding during the year.

A management charge was receivable from M Baker (Property Services) Limited of £132,427 (2002 - £124,000) in relation to the year ended 31 March 2003.

In addition the company owed M Baker (Property Services) Limited £nil (2002 - £12,500) and Westgrove (Projects) Limited £nil (2002 - £17,000). The maximum amount owing to M Baker (Property Services) Limited during the year was £67,500 and to Westgrove (Projects) Limited was £45,000.

M Baker (South West) Limited lent £3,000 to the company during the year. The amount was repaid before the year-end.

M Baker (Property Services) Limited, Westgrove (Projects) Limited, M Baker (South West) Limited and M Baker Recycling Limited are also subsidiaries of M Baker (Holdings) Limited.

No interest is payable on any of these loans.

### 11. Share capital

#### Authorised share capital:

	2003	2002
	£	£
100 Ordinary shares of £1 each	100	100

#### Allotted, called up and fully paid:

	2003	2002
	£	£
Ordinary share capital	40	40

# **Westgrove (Homes) Limited**

## **Management Information**

**Year Ended 31 March 2003**

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**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditors' report on page 4.**

**Westgrove (Homes) Limited****Detailed Profit and Loss Account****Year Ended 31 March 2003**

	2003		2002
	£	£	£
<b>Turnover</b>		<b>246,522</b>	<b>266,493</b>
<b>Cost of sales</b>			
Opening work-in-progress and property for development	23,748		17,579
Materials	64,371		82,891
Plant hire	199		222
Direct wages	41,568		52,476
Depreciation of plant and machinery	13,162		12,889
Profit on disposal of fixed assets	—		(1,885)
	<u>143,048</u>		<u>164,172</u>
Closing work-in-progress and property for development	(22,681)		(23,748)
		<u>120,367</u>	<u>140,424</u>
<b>Gross profit</b>		<b>126,155</b>	<b>126,069</b>
<b>Gross profit percentage</b>	<u>51.2%</u>		<u>47.3%</u>
<b>Overheads</b>			
Distribution costs	13,261		17,445
Administrative expenses	<u>105,819</u>		<u>83,815</u>
		<u>119,080</u>	<u>101,260</u>
<b>Operating profit</b>		<b>7,075</b>	<b>24,809</b>
Bank interest receivable		<u>19</u>	<u>—</u>
		<b>7,094</b>	<b>24,809</b>
Bank interest payable		<u>(1,425)</u>	<u>(1,778)</u>
<b>Profit on ordinary activities</b>		<b><u>5,669</u></b>	<b><u>23,031</u></b>

**Westgrove (Homes) Limited****Notes to the Detailed Profit and Loss Account****Year Ended 31 March 2003**

	2003		2002
	£	£	£
<b>Distribution costs</b>			
Vehicle running costs and travelling expenses		8,607	11,240
Depreciation of motor vehicles		4,654	6,205
		<u>13,261</u>	<u>17,445</u>
<b>Administrative expenses</b>			
<b>Personnel costs</b>			
Wages and salaries	56,794		3,829
Social security costs	9,194		19,750
Staff pension contributions	<u>1,946</u>		<u>19,909</u>
		67,934	43,488
<b>Establishment expenses</b>			
Rent and rates	9,295		8,943
Light and heat	2,871		3,560
Repairs and maintenance	<u>776</u>		<u>3,055</u>
		12,942	15,558
<b>General expenses</b>			
Telephone	1,602		1,354
Equipment repairs and renewals	6,094		5,246
Printing, stationery and advertising	1,327		1,249
Sundry expenses	4,663		5,016
Insurance	4,251		3,902
CITB levy	917		881
Legal and professional fees	72		1,025
Audit and accountancy	4,100		4,305
Depreciation of fixtures and fittings	303		231
Profit on disposal of fixed assets	<u>(250)</u>		<u>—</u>
		23,079	23,209
<b>Financial costs</b>			
Bad debts	—		(318)
Bank charges	<u>1,864</u>		<u>1,878</u>
		1,864	1,560
		<u>105,819</u>	<u>83,815</u>