

COMPANY REGISTRATION NUMBER 2114598

**Westgrove (Homes) Limited**  
**Financial Statements**  
**For the Year Ended**  
**31 March 2005**



**BISHOP FLEMING**  
Chartered Accountants & Registered Auditors  
1 Barnfield Crescent  
Exeter  
EX1 1QY

# **Westgrove (Homes) Limited**

## **Financial Statements**

**Year Ended 31 March 2005**

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<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 12
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	13
Notes to the detailed profit and loss account	14

# 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 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 2005

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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 2005.

#### 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 and joinery.

There was a loss for the year amounting to £13,340. The directors do not recommend payment of a dividend.

On 31 March 2005 the Joinery activity of the business was purchased by the joinery manager, an employee of Westgrove (Homes) Limited. The trade and assets were sold for £2, this gave rise to loss on disposal of fixed assets of £11,322. A vehicle was also sold, as part of the joinery disposal, at market value of £3,900, this gave rise to a loss on disposal of £1,175.

#### Directors

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

Mr K A C Pyne	
Mrs P R Baker	
Mr A K Slaney	
Mr M T Baker	(Resigned 1 April 2004)

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

	Ordinary shares of £1 each	
	At 31 March 2005	At 1 April 2004
Mrs P R Baker	2,372	1,186
Mr M T Baker (Resigned 1 April 2004)	-	-
Mr K A C Pyne	-	-

#### 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 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, as described on page 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.

# Westgrove (Homes) Limited

## The Directors' Report *(continued)*

Year Ended 31 March 2005

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### 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.

### 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 14/6/05

## Westgrove (Homes) Limited

### Independent Auditors' Report to the Shareholders of Westgrove (Homes) Limited

**Year Ended 31 March 2005**

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We have audited the financial statements of Westgrove (Homes) Limited for the year ended 31 March 2005 on pages 6 to 12 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 page 8.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 law and United Kingdom Accounting Standards.

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.

#### **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.

**Westgrove (Homes) Limited**

**Independent Auditors' Report to the Shareholders of  
Westgrove (Homes) Limited** *(continued)*

**Year Ended 31 March 2005**

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**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 2005 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

1 Barnfield Crescent  
Exeter  
EX1 1QY

20 October 2005



BISHOP FLEMING  
Chartered Accountants  
& Registered Auditors

**Westgrove (Homes) Limited****Profit and Loss Account****Year Ended 31 March 2005**

	Note	2005 £	2004 £
<b>Turnover</b>		<b>290,431</b>	256,162
Cost of sales		<u>153,735</u>	<u>124,630</u>
<b>Gross profit</b>		<b>136,696</b>	131,532
Distribution costs		17,622	18,000
Administrative expenses		273,379	298,248
Other operating income		<u>(141,943)</u>	<u>(128,916)</u>
<b>Operating loss</b>	2	<b>(12,362)</b>	(55,800)
Interest receivable		142	80
Interest payable and similar charges		<u>(1,120)</u>	<u>(1,671)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(13,340)</b>	(57,391)
Tax on loss on ordinary activities		—	—
<b>Loss for the financial year</b>		<b>(13,340)</b>	(57,391)
Balance brought forward		<u>88,913</u>	<u>146,304</u>
Balance carried forward		<u>75,573</u>	<u>88,913</u>

## Westgrove (Homes) Limited

## Balance Sheet

31 March 2005

	Note	2005 £	£	2004 £	£
<b>Fixed assets</b>					
Tangible assets	5		5,378		15,618
<b>Current assets</b>					
Stocks	6	14,500		22,554	
Debtors due within one year	7	42,715		103,526	
Debtors due after one year	7	90,894		—	
Cash at bank		—		6,373	
		<u>148,109</u>		<u>132,453</u>	
<b>Creditors: Amounts falling due within one year</b>	8	<u>77,874</u>		<u>59,118</u>	
<b>Net current assets</b>			<u>70,235</u>		<u>73,335</u>
<b>Total assets less current liabilities</b>			<u>75,613</u>		<u>88,953</u>
<b>Capital and reserves</b>					
Called-up equity share capital	12		40		40
Profit and loss account			<u>75,573</u>		<u>88,913</u>
<b>Shareholders' funds</b>			<u>75,613</u>		<u>88,953</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 14/10/05 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 2005

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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) Fixed assets

All fixed assets are initially recorded at cost.

#### (d) 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

#### (e) 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.

#### (f) 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.

#### (g) 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.

#### (h) 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.

### 2. Operating loss

Operating loss is stated after charging/(crediting):

	2005	2004
	£	£
Staff pension contributions	2,455	2,001
Depreciation of owned fixed assets	5,219	7,602
Loss/(Profit) on disposal of fixed assets	12,495	(600)
Auditors' fees	2,250	2,350
	<u>22,419</u>	<u>11,353</u>

# Westgrove (Homes) Limited

## Notes to the Financial Statements

### Year Ended 31 March 2005

#### 3. Disposal of fixed assets

At 31 March 2005 the joinery activity was sold this has given rise to a loss on disposal of fixed assets of £11,322. All plant and machinery and fixtures and fittings of the company was sold along with the joinery van. The proceeds of this was £2. A vehicle was also sold, as part of the joinery disposal, at market value of £3,900, this gave rise to a loss on disposal of £1,175.

#### 4. Directors' emoluments

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

	2005 £	2004 £
Aggregate emoluments	85,000	78,925
Value of company pension contributions to money purchase schemes	<u>18,000</u>	<u>82,000</u>
	<u>103,000</u>	<u>160,925</u>

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

	2005 No	2004 No
Money purchase schemes	<u>1</u>	<u>1</u>

#### 5. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 April 2004	77,416	10,764	44,425	132,605
Additions	4,933	1,367	5,075	11,375
Disposals	<u>(82,349)</u>	<u>(12,131)</u>	<u>(15,500)</u>	<u>(109,980)</u>
<b>At 31 March 2005</b>	<u>—</u>	<u>—</u>	<u>34,000</u>	<u>34,000</u>
<b>Depreciation</b>				
At 1 April 2004	72,268	10,764	33,955	116,987
Charge for the year	2,343	258	2,618	5,219
On disposals	<u>(74,611)</u>	<u>(11,022)</u>	<u>(7,951)</u>	<u>(93,584)</u>
<b>At 31 March 2005</b>	<u>—</u>	<u>—</u>	<u>28,622</u>	<u>28,622</u>
<b>Net book value</b>				
At 31 March 2005	<u>—</u>	<u>—</u>	<u>5,378</u>	<u>5,378</u>
At 31 March 2004	<u>5,148</u>	<u>—</u>	<u>10,470</u>	<u>15,618</u>

**Westgrove (Homes) Limited****Notes to the Financial Statements****Year Ended 31 March 2005**

<b>6. Stocks</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Stock	<b>14,500</b>	14,500
Raw materials	—	8,054
	<u><b>14,500</b></u>	<u>22,554</u>
<b>7. Debtors</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>28,655</b>	34,107
Amounts owed by group undertakings	<b>91,738</b>	57,939
Amounts owed by directors	<b>2,814</b>	56
Other debtors	<b>4,600</b>	6,680
Prepayments and accrued income	<b>5,802</b>	4,744
	<u><b>133,609</b></u>	<u>103,526</u>

The debtors above include the following amounts falling due after more than one year:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u><b>90,894</b></u>	<u>—</u>

**8. Creditors: Amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>37,964</b>	30,671
Trade creditors	<b>13,739</b>	3,027
Other creditors including taxation and social security:		
PAYE and social security	<b>10,953</b>	6,974
VAT	<b>9,689</b>	9,064
Other creditors	<b>1,478</b>	1,244
Accruals and deferred income	<b>4,051</b>	8,138
	<u><b>77,874</b></u>	<u>59,118</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u><b>37,964</b></u>	<u>30,671</u>

**Westgrove (Homes) Limited****Notes to the Financial Statements****Year Ended 31 March 2005**

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**9. Commitments under operating leases**

At 31 March 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 2 to 5 years	—	<u>7,125</u>

**10. Contingencies**

An Unlimited Multilateral Company Guarantee has been given in favour of HSBC Bank plc by Westgrove (Homes) Limited, M Baker (Holdings) Limited, M Baker (Property Services) Limited, Tarker Limited, Westgrove Projects Limited, Westgrove (Exeter) Limited, M Baker (South West) Limited, West Coast Wind Farms Limited, West Coast Wind Farms (Scotland) Limited, M Baker Recycling Limited and Devon Wind Power Limited to secure all the present and future indebtedness and liabilities to the Bank howsoever arising.

The total indebtedness at 31 March 2005 amounted to £4,197,740.

A cross guarantee has been given by M Baker (Property Services) Limited, Westgrove (Homes) Limited and Westgrove Projects Limited, in favour of NatWest Bank plc.

The total indebtedness at 31 March 2005 amounted to £134,585.

## Westgrove (Homes) Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2005

#### 11. Related party transactions

The directors consider that the ultimate parent undertaking of this company is its parent company, M Baker (Holdings) Limited which is incorporated in Great Britain.

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

During the year the company supplied materials at a value of £32,811 (2004 - £21,730) to the directors, Mr M T and Mrs P R Baker.

At 31 March 2005 the directors Mr M T and Mrs P R Baker owed the company £2,814 (2004 - £56).

At 31 March 2005 the company was owed £321 (2004 - £177) by M Baker Recycling Limited, £Nil (2004 - £70) by Purcrete Limited and £524 (2004 - £Nil) by M Baker South West Limited.

At 31 March 2005 the company was owed £90,894 (2004 - £57,691) by M Baker (Property Services) Limited. A management charge was receivable of £141,943 (2004 - £128,916) and a management charge payable of £5,000 (2004 - £nil) in respect of services carried out during the year to 31 March 2005. £90,894 was the maximum amount outstanding during the year.

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

No interest is payable on any of these loans.

On 31 March 2005 the Joinery activity of the business was purchased by the joinery manager, M Price, an employee of Westgrove (Homes) Limited. The trade and assets were sold for £2, this gave rise to loss on disposal of fixed assets of £11,322. A vehicle was also sold, as part of the joinery disposal, at market value of £3,900, this gave rise to a loss on disposal of £1,175.

#### 12. Share capital

##### Authorised share capital:

	2005	2004
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>