

**WESTGROVE (HOMES) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2008**



**WESTGROVE (HOMES) LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS**

Mr K A C Pyne  
Mrs P R Baker  
Mr A K Slaney (resigned 9/5/2007)

**COMPANY SECRETARY**

Mrs P R Baker

**COMPANY NUMBER**

2114598

**REGISTERED OFFICE**

Baring House  
6 Baring Crescent  
Exeter  
Devon  
EX1 1TL

**AUDITORS**

Bishop Fleming  
Chartered Accountants & Registered Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

**WESTGROVE (HOMES) LIMITED**

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## **WESTGROVE (HOMES) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008**

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The directors present their report and the financial statements for the year ended 31 March 2008.

#### **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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the acquisition and disposal of land for property development purposes.

#### **DIRECTORS**

The directors who served during the year were:

Mr K A C Pyne  
Mrs P R Baker  
Mr A K Slaney (resigned 9/5/2007)

#### **PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Bishop Fleming, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**WESTGROVE (HOMES) LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2008**

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This report was approved by the board and signed on its behalf.



**Mr K A C Pyne**  
Director

Date: 18 November 2007

Baring House  
6 Baring Crescent  
Exeter  
Devon  
EX1 1TL

## **WESTGROVE (HOMES) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTGROVE (HOMES) LIMITED**

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We have audited the financial statements of Westgrove (Homes) Limited for the year ended 31 March 2008, set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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**

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).

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.

**WESTGROVE (HOMES) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTGROVE (HOMES) LIMITED**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its loss 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.



**BISHOP FLEMING**  
Chartered Accountants  
Registered Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date:

21 November 2008

**WESTGROVE (HOMES) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
<b>TURNOVER</b>		<b>216</b>	<b>1,147,311</b>
Cost of sales		-	(236,419)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>216</b>	<b>910,892</b>
Distribution costs		(11,920)	(18,192)
Administrative expenses		(564,620)	(1,694,309)
Director's emoluments recharged	2	152,833	1,529,493
		<hr/>	<hr/>
<b>OPERATING (LOSS)/PROFIT</b>	3	<b>(423,491)</b>	<b>727,884</b>
Interest receivable		1,079	1,032
Interest payable		-	(371)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(422,412)</b>	<b>728,545</b>
Tax on (loss)/profit on ordinary activities	5	114,066	(120,347)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	11	<b>(308,346)</b>	<b>608,198</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 11 form part of these financial statements.

**WESTGROVE (HOMES) LIMITED**

**BALANCE SHEET  
AS AT 31 MARCH 2008**

	Note	£	2008 £	£	2007 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	6		<b>21,004</b>		28,005
<b>CURRENT ASSETS</b>					
Stocks	7	7,500		7,500	
Debtors	8	324,275		1,341,557	
Cash at bank and in hand		6,147		6,658	
			<u>337,922</u>	<u>1,355,715</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<b>(12,451)</b>		<b>(728,899)</b>	
<b>NET CURRENT ASSETS</b>			<u><b>325,471</b></u>		<u>626,816</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>346,475</b></u>		<u>654,821</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		40		40
Profit and loss account	11		<b>346,435</b>		654,781
<b>SHAREHOLDERS' FUNDS</b>			<u><b>346,475</b></u>		<u>654,821</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr K A C Pyne  
Director

Date: 18 November 2008

The notes on pages 7 to 11 form part of these financial statements.

## WESTGROVE (HOMES) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

##### 1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of amounts invoiced during the year, exclusive of Value Added Tax.

##### 1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicle - 25% reducing balance

All fixed assets are initially recorded at cost.

##### 1.4 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.

##### 1.5 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 will result in an obligation to pay more, or a right to pay less 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.

##### 1.6 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### 2. OTHER OPERATING INCOME

	2008	2007
	£	£
Director's emoluments recharged	<u>152,833</u>	<u>1,529,493</u>

**WESTGROVE (HOMES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

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**3. OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging:

	2008 £	2007 £
Depreciation of tangible fixed assets: - owned by the company	7,001	9,923
Auditors' remuneration	2,600	2,500
Value of company pension contributions to money purchase schemes	218,000	18,000
Loss on disposal of fixed assets	-	3,346
	<u>218,000</u>	<u>18,000</u>

**4. DIRECTORS' REMUNERATION**

	2008 £	2007 £
Aggregate emoluments	<u>312,700</u>	<u>1,464,987</u>

During the year retirement benefits were accruing to 1 director (2007: 1) in respect of money purchase pension schemes.

**5. TAXATION**

	2008 £	2007 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
UK corporation tax charge on (loss)/profit for the year	-	120,347
Under provision in respect of prior periods	11,250	-
	<u>11,250</u>	<u>120,347</u>
Loss carry back claim	(125,316)	-
	<u>(114,066)</u>	<u>120,347</u>
<b>TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES</b>	<u>(114,066)</u>	<u>120,347</u>

**WESTGROVE (HOMES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

**6. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>
<b>COST</b>	
At 1 April 2007 and 31 March 2008	<u>39,830</u>
<b>DEPRECIATION</b>	
At 1 April 2007	<b>11,825</b>
Charge for the year	<b>7,001</b>
At 31 March 2008	<u>18,826</u>
<b>NET BOOK VALUE</b>	
At 31 March 2008	<u>21,004</u>
At 31 March 2007	<u>28,005</u>

**7. STOCKS**

	<b>2008 £</b>	<b>2007 £</b>
Stock	<u>7,500</u>	<u>7,500</u>

**8. DEBTORS**

	<b>2008 £</b>	<b>2007 £</b>
Trade debtors	-	2,220
Amounts owed by group undertakings	<b>192,849</b>	1,260,302
Other debtors	<b>130,266</b>	78,112
Prepayments and accrued income	<b>1,160</b>	923
	<u>324,275</u>	<u>1,341,557</u>

**9. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2008 £</b>	<b>2007 £</b>
Trade creditors	<b>2,688</b>	2,861
Corporation tax	-	120,347
VAT	<b>178</b>	832
PAYE and social security	<b>5,040</b>	5,028
Accruals and deferred income	<b>4,545</b>	599,831
	<u>12,451</u>	<u>728,899</u>

## WESTGROVE (HOMES) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

#### 10. SHARE CAPITAL

	2008 £	2007 £
<b>AUTHORISED</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
40 Ordinary shares of £1 each	<u>40</u>	<u>40</u>

#### 11. RESERVES

	Profit and loss account £
At 1 April 2007	654,781
Loss for the year	(308,346)
At 31 March 2008	<u>346,435</u>

#### 12. 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, M Baker (South West) Limited, West Coast Wind Farms Limited, West Coast Wind Farms (Scotland) 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 2008 amounted to £6,700,000 (2007 - £6,700,000).

A legal mortgage was registered with Companies House on 23 February 2005 in favour of HSBC Bank Plc, for securing all monies due or to become due from the company on any account.

#### 13. RELATED PARTY TRANSACTIONS

At 31 March 2008 the company owed the director Mrs P R Baker £2,577 (2007 - £2,581).

At 31 March 2008 the director Mr K Pyne owed the company £nil (2007 - £403).

At 31 March 2008 the company was owed £192,849 (2007 - £1,260,302) by M Baker (Property Services) Limited. £1,283,996 was the maximum amount outstanding during the year. A management charge was receivable of £152,833 (2007 - £1,529,493) and a management charge payable of £186,009 (2007 - £Nil) in respect of services provided during the year.

No interest is payable on any of these loans.

M Baker (Property Services) Limited is a fellow subsidiary of M Baker (Holdings) Limited.

**WESTGROVE (HOMES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2008**

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**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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 their control of the ultimate parent undertaking.