

Ward Homes (North Thames) Limited
Directors' report and financial statements

31 December 2003

Registered Number: 2276750



Ward Homes (North Thames) Limited

Directors' report and financial statements

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Ward Homes (North Thames) Limited

Directors' report

The directors present their report and the audited financial statements for the fourteen months ended 31 December 2003.

Principal activities

The principal activity of the company is house building and related activities.

Review of developments and future prospects

Turnover was £22.8m (2002 : £23.5m) from the sale of 85 (2002 : 91) units. The average selling price of their units was £268,000 (2002 : £258,000). The company will continue to seek future business opportunities.

On 14 November 2003 the group headed by Ward Homes Group Limited which includes this company, was acquired by Wilson Bowden Plc. Following this the accounting reference date was changed to 31st December, to comply with the new parent company. Accordingly, these financial statements present the results for the fourteen months ended 31 December 2003.

Proposed dividend and transfer to reserves

The results for the period are set out in the profit and loss account on page 5. The Directors do not recommend the payment of a dividend (2002: £nil).

The profit for the year transferred to reserves is £2,502,866 (2002 : £2,972,099).

Directors and directors' interests

The directors who held office throughout the period were as follows:

R.J.R. Brooke	(appointed 14 Nov 2003)
G.M. Brown	(appointed 14 Nov 2003)
I. Robertson	(appointed 14 Nov 2003)
M.J. Stansfield	(appointed 14 Nov 2003)
N.J. Townsend	(appointed 14 Nov 2003)
P.D. Holliday O.B.E.	(resigned 14 Nov 2003)
M.R. Lethaby	(resigned 15 Jan 2004)
J.M. Williams	(resigned 14 Nov 2003)
F. J Wells	(resigned 14 Nov 2003)
S. Brown	(resigned 14 Nov 2003)
J.P Burnell	(resigned 14 Nov 2003)

None of the directors who held office at the end of the financial period had any disclosable interests in the shares of the company.

Ward Homes (North Thames) Limited

Employees

The company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities.

It is the directors' policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled.

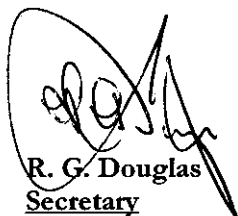
The training, career development and promotion of disabled persons employed by the company is an integral part of the personnel policy applicable to all employees.

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance. During the period, information regarding financial and economic factors affecting the performance of the company and other matters of concern to employees was regularly made available.

Auditors

On 1st August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



R. G. Douglas
Secretary
26 October 2004

Ward Homes (North Thames) Limited

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 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 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.

Independent Auditors' Report to the Members of Ward Homes (North Thames) Limited

We have audited the financial statements of Ward Homes (North Thames) Limited for the fourteen months ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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 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 period and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

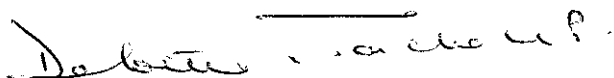
Basis of audit opinion

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 December 2003 and of its profit for the fourteen months then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham
26 October 2004

Ward Homes (North Thames) Limited

Profit and loss account

Fourteen months ended 31 December 2003

	Note	Fourteen months ended 31 December 2003 £	Year ended 31 October 2002 £
Turnover	1	22,791,677	23,498,190
Cost of sales		<u>(17,169,269)</u>	<u>(17,635,951)</u>
Gross profit		5,622,408	5,862,239
Administrative expenses		<u>(1,241,404)</u>	<u>(1,133,914)</u>
Profit before interest and taxation	2-3	4,381,004	4,728,325
Interest payable and similar charges	4	<u>(817,555)</u>	<u>(594,461)</u>
Profit on ordinary activities before taxation		3,563,449	4,133,864
Tax charge on profit on ordinary activities	5	<u>(1,060,583)</u>	<u>(1,161,765)</u>
Retained profit for the financial year	11	<u>2,502,866</u>	<u>2,972,099</u>

The company has no recognised gains or losses in either 2003 or 2002 other than those reported in the profit and loss account above. Accordingly no statement of total recognised gains and losses is required.

All operations are continuing.

Ward Homes (North Thames) Limited

Balance Sheet

as at 31 December 2003

	Note	31 December 2003	31 October 2002
		£	£
Fixed assets			
Tangible assets	6	22,339	16,214
Current assets			
Stocks	7	15,793,040	15,476,950
Debtors	8	6,258,538	1,471,757
Cash at bank and in hand		-	1,174,485
		<u>22,051,578</u>	<u>18,123,192</u>
Creditors: amount falling due within one year	9	<u>(13,523,575)</u>	<u>(12,091,930)</u>
Net current assets		<u>8,528,003</u>	<u>6,031,262</u>
Total assets less current liabilities		<u>8,550,342</u>	<u>6,047,476</u>
Capital and reserves			
Called up share capital	10	842,257	842,257
Profit and loss account		<u>7,708,085</u>	<u>5,205,219</u>
Equity shareholder's funds	11	<u>8,550,342</u>	<u>6,047,476</u>

These financial statements were approved by the Board of Directors on 26 October 2004 and were signed on its behalf by:



R.J.R. Brooke

Director

26 October 2004

Ward Homes (North Thames) Limited

Notes to the accounts

Fourteen months ended 31 December 2003

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Stocks

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. In respect of work in progress, costs include labour, materials and relevant overheads. Land held for development is valued on a site by site basis at the lower of cost and net realisable value.

Turnover

Turnover represents the amounts receivable on the sale of own constructed houses and land. All turnover arose within the United Kingdom. Credit is taken for profit on house sales on the date at which the legal title to the property is transferred.

Taxation

Corporate tax is provided on taxable profits at the current rate.

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 the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered.

Deferred tax assets and liabilities are not discounted.

2. Remuneration of Directors and Auditors

	Fourteen months ended 31 December 2003	Year ended 31 October 2002
	£	£
Directors' emoluments:	251,690	180,900

The number of directors for whom benefits are accruing under defined contribution schemes is nil (2002: nil).

Other directors' emoluments and auditors' remuneration have been borne by other group companies in both the current and preceding period. It is not practicable to split these between group companies.

Ward Homes (North Thames) Limited

Notes to the accounts *(continued)*

Fourteen months ended 31 December 2003

3. Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	Fourteen months ended 31 December 2003	Year ended 31 October 2002
Management	2	2
Administration	4	4
Production and sales	13	9
	<u>19</u>	<u>15</u>

The aggregate payroll costs of these persons were as follows:

	Fourteen months ended 31 December 2003	Year ended 31 October 2002
	£	£
Wages and salaries	929,085	638,972
Social Security costs	102,174	67,184
	<u>1,031,259</u>	<u>706,156</u>

4. Interest payable and similar charges

	Fourteen months ended 31 December 2003	Year ended 31 October 2002
	£	£
On inter-company borrowings	<u>817,555</u>	<u>594,461</u>

5. Tax charge on profit on ordinary activities

	Fourteen months ended 31 December 2003	Year ended 31 October 2002
	£	£
UK corporation tax at 30% (2002: 30%)	1,088,443	1,247,265
Adjustment in respect of prior years	(27,860)	(85,500)
	<u>1,060,583</u>	<u>1,161,765</u>

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK at 30% (2002 : 30%). The differences are explained below.

Ward Homes (North Thames) Limited

Notes to the accounts *(continued)*

Fourteen months ended 31 December 2003

5. Tax charge on profit on ordinary activities *(continued)*

	Fourteen months ended 31 December 2003 £	Year ended 31 October 2002 £
Profit on ordinary activities before taxation	3,563,449	4,133,864
Tax at 30% thereon	1,069,035	1,240,159
Effects of:		
Expenses not deductible for tax purposes	19,232	6,883
Capital allowances in excess of depreciation	176	223
Prior year adjustments	(27,860)	(85,500)
Total actual amount of current tax	<u>1,060,583</u>	<u>1,161,765</u>

A deferred tax asset has not been recognised in respect of timing differences relating to the excess depreciation as there is insufficient evidence that it would be recovered. The total of the asset not recognised is £399 (2002: £223). The asset would be recovered if, in the future capital allowances exceed depreciation.

6. Tangible fixed assets

	Plant & machinery £	Computer equipment, fixtures & fittings £	Total £
Cost			
At beginning of period	3,594	13,878	17,472
Additions	871	13,300	14,171
At end of period	<u>4,465</u>	<u>27,178</u>	<u>31,643</u>
Depreciation			
At beginning of period	140	1,118	1,258
Charge for period	1,345	6,701	8,046
At end of period	<u>1,485</u>	<u>7,819</u>	<u>9,304</u>
Net Book Value			
At 31 December 2003	<u>2,980</u>	<u>19,359</u>	<u>22,339</u>
At 31 October 2002	<u>3,454</u>	<u>12,760</u>	<u>16,214</u>

Ward Homes (North Thames) Limited

7. Stocks

	31 December 2003 £	31 October 2002 £
Land	9,427,789	7,366,196
Work in progress	6,365,251	8,110,754
	<u>15,793,040</u>	<u>15,476,950</u>

8. Debtors

	31 December 2003 £	31 October 2002 £
Amounts owed by group undertakings	6,200,038	1,080,941
Other debtors	58,500	390,816
	<u>6,258,538</u>	<u>1,471,757</u>

9. Creditors: amounts falling due within one year

	31 December 2003 £	31 October 2002 £
Bank overdraft	28,447	-
Trade creditors	490,612	1,388,330
Amounts owed to group undertakings	11,708,557	9,009,732
Taxation	818,738	1,626,559
Accruals and deferred income	477,221	67,309
	<u>13,523,575</u>	<u>12,091,930</u>

10. Share capital

	31 December 2003 £	31 October 2002 £
<i>Authorised:</i>		
842,258 Ordinary shares of £1 each	<u>842,258</u>	<u>842,258</u>
<i>Allotted, called up and fully paid:</i>		
842,257 Ordinary shares of £1 each	<u>842,257</u>	<u>842,257</u>

Ward Homes (North Thames) Limited

Notes to the accounts *(continued)*

Fourteen months ended 31 December 2003

11. Reconciliation of movements in shareholder's funds

	31 December 2003 £	31 October 2002 £
Profit for the financial period	2,502,866	2,972,099
Opening shareholder's funds	6,047,476	3,075,377
Closing shareholder's funds	<u>8,550,342</u>	<u>6,047,476</u>

12. Ultimate parent company

The company is a subsidiary undertaking of Castle Village Ltd. Its ultimate parent company and ultimate controlling party is Wilson Bowden Plc, registered in England and Wales, which is the parent undertaking of the largest group which includes the company and for which group financial statements are prepared. The financial statements of Wilson Bowden Plc are available from the Company Secretary at Wilson Bowden House, Leicester Road, Ibstock, Leicester LE67 6WB.

13. Statement on related party transactions

The company is exempt from the requirements of the Financial Reporting Standard 8 ("Related Party Disclosures") insofar as it refers to transactions with fellow group companies, as it is a wholly-owned subsidiary of Wilson Bowden Plc.