

**Ward Homes Anglia Limited**

**Directors' report and financial statements**

**31 October 2000**

**Registered Number: 2276750**



# Ward Homes Anglia Limited

## Directors' report and financial statements

| <i>Contents</i>                          | <i>Page</i> |
|--|-------------|
| Directors' report                        | 1           |
| Statement of directors' responsibilities | 3           |
| Auditors' report                         | 4           |
| Profit and loss account                  | 5           |
| Balance sheet                            | 6           |
| Notes to the accounts                    | 7           |

# **Ward Homes Anglia Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 October 2000.

### **Principal activities**

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

### **Review of developments and future prospects**

On 11 February 2000 the company was recapitalised by the conversion of loans of £782,158 from the company to its parent, Ward Holdings Limited (formerly Ward Holdings Plc). On the same date the shares were transferred to Castle Village Limited, a fellow subsidiary of Ward Holdings Limited (formerly Ward Holdings Plc). Also on the same date all the assets and liabilities of Castle Village Limited (other than its shares in Ward Homes Anglia Limited) were acquired by the company at book value. This included a development site known as Castle Village Berkhamsted, Hertfordshire.

During the year development of the 135 unit retirement scheme commenced with the construction of the six unit sales complex, the 39 unit phase one apartment block and the refurbishment of the grade 2 listed Mansion House.

Total costs (including the transferred book value) incurred as at 31 October 2000 were £11.8m. As at this date 31 sales reservations had been achieved at the site. It is anticipated that in excess of £34m of revenue will be generated from the site over the next three years.

Immediately prior to the year end the company purchased a further development site for the development of 10 executive homes.

It is anticipated the above development activity will return the company to profitability during the forthcoming year.

### **Proposed dividend and transfer to reserves**

The results for the year are set out in the profit and loss account on page 6. The Directors do not recommend the payment of a dividend (1999: £nil).

The loss for the year to be transferred from reserves is £38,523 (1999: £64,422).

# Ward Homes Anglia Limited

## Directors' report *(continued)*

### Directors and directors' interests

The directors who held office during the year were as follows:

|                      |                          |
|----------------------|--------------------------|
| D.J. Ward            | (Resigned 11 July 2000)  |
| G.A. Wall            | (Resigned 11 July 2000)  |
| P.D. Holliday O.B.E. |                          |
| M.R. Lethaby         | (Appointed 11 July 2000) |
| J.M. Williams        | (Appointed 11 July 2000) |
| N. Hobbs             | (Appointed 26 June 2000) |

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

Mr P.D. Holliday, Mr M.R. Lethaby and Mr J.M. Williams are directors of the company's ultimate parent company, Ward Homes Group Limited and, accordingly, particulars of their interests in the shares of that company are included in the directors' report of Ward Homes Group 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.

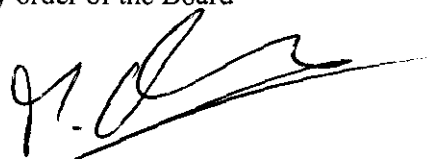
The training, career development and promotion of disabled persons employed by the company is an integral part of the personnel policy applicable to all employees.

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 year, information regarding financial and economic factors affecting the performance of the company and other matters of concern to employees was regularly made available.

### Auditors

KPMG Audit Plc resigned as auditors on 5 October 2000. Deloitte & Touche were appointed to fill the casual vacancy and have indicated their willingness to continue in office as auditors. Accordingly, a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board



**M.R. Lethaby**  
Secretary

10 February 2001

# **Ward Homes Anglia Limited**

## **Statement of 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 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, 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.

The directors are responsible for maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Ward Homes Anglia Limited

## Report of the auditors to the members of Ward Homes Anglia Limited

We have audited the financial statements on pages 5 to 10, which have been prepared under the accounting policies set out in page 7.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of 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 October 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**Deloitte & Touche**  
*Chartered Accountants and  
Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR*

20 February 2001

# Ward Homes Anglia Limited

## Profit and loss account

for the year ended 31 October 2000

|  | Note       | 2000<br>£        | 1999<br>£        |
|--|------------|------------------|------------------|
| <b>Turnover</b>                                    | <i>1</i>   | -                | -                |
| Cost of sales                                      |            | <u>(13,056)</u>  | <u>(15,080)</u>  |
| <b>Gross loss</b>                                  |            | <b>(13,056)</b>  | <b>(15,080)</b>  |
| Administrative expenses                            |            | <u>(30,098)</u>  | <u>-</u>         |
| <b>Operating loss</b>                              | <i>2-3</i> | <b>(43,154)</b>  | <b>(15,080)</b>  |
| Interest payable and similar charges               | <i>4</i>   | <u>-</u>         | <u>(26,393)</u>  |
| <b>Loss on ordinary activities before taxation</b> |            | <b>(43,154)</b>  | <b>(41,473)</b>  |
| Tax on loss on ordinary activities                 | <i>5</i>   | <u>4,631</u>     | <u>(22,949)</u>  |
| <b>Loss for the financial year</b>                 | <i>10</i>  | <b>(38,523)</b>  | <b>(64,422)</b>  |
| Retained deficit brought forward                   |            | <u>(782,256)</u> | <u>(717,834)</u> |
| Retained deficit carried forward                   |            | <u>(820,779)</u> | <u>(782,256)</u> |

The company has no recognised gains or losses in either 2000 or 1999 other than those reported in the Profit and Loss Account above.

All operations are continuing.

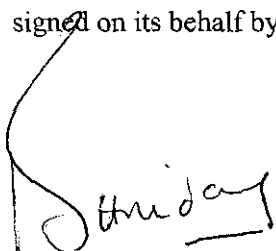
# Ward Homes Anglia Limited

## Balance Sheet

as at 31 October 2000

|  | Note | 2000                | 1999             |
|--|------|---------------------|------------------|
|  |      | £                   | £                |
| <b>Current assets</b>                                |      |                     |                  |
| Stocks   | 6    | 13,373,250          | 65,001           |
| Debtors  | 7    | 643,872             | 85,451           |
| Cash in hand   |      | 65                  | -                |
|  |      | <u>14,017,187</u>   | <u>150,452</u>   |
| <b>Creditors:</b> amount falling due within one year | 8    | <u>(13,995,709)</u> | <u>(932,609)</u> |
| <b>Net assets/(liabilities)</b>                      |      | <u>21,478</u>       | <u>(782,157)</u> |
| <b>Capital and reserves</b>                          |      |                     |                  |
| Called up share capital                              | 9    | 842,257             | 99               |
| Profit and loss account                              |      | <u>(820,779)</u>    | <u>(782,256)</u> |
| <b>Equity shareholders' funds</b>                    | 10   | <u>21,478</u>       | <u>(782,157)</u> |

These financial statements were approved by the Board of Directors on 10 February 2001 and were signed on its behalf by:



P.D. Holliday O.B.E.



# Ward Homes Anglia Limited

## Notes to the accounts

Year ended 31 October 2000

### 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 accounting rules and on a going concern basis which assumes the company will continue to trade. The validity of this assumption is dependent upon the profitability of the company's future trading.

The directors are currently seeking future development opportunities to enable the company to continue operating as a going concern.

If the company was unable to continue to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

#### *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.

#### *Deferred taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts receivable on the sale of houses and land. Credit is taken for profit on house sales on the date at which the legal title to the property is transferred.

# Ward Homes Anglia Limited

## Notes to the accounts *(continued)*

Year ended 31 October 2000

### 2. Remuneration of Directors and Auditors

|                        | 2000<br>£     | 1999<br>£ |
|------------------------|---------------|-----------|
| Directors' emoluments: | <u>29,073</u> | <u>-</u>  |

The emoluments, excluding pension contributions, of the highest paid director were £29,073 (1999: £nil). The number of directors for whom benefits are accruing under defined contribution schemes is nil (1999: nil).

Other directors' emoluments and auditors' remuneration have been borne by other group companies in both the current and preceding year.

### 3. Staff numbers and costs

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

|                      | Number of employees |          |
|----------------------|---------------------|----------|
|                      | 2000                | 1999     |
| Management           | 1                   | -        |
| Administration       | 2                   | -        |
| Production and sales | <u>1</u>            | <u>-</u> |
|                      | <u>4</u>            | <u>-</u> |

The aggregate payroll costs of these persons were as follows:

|                       | 2000<br>£     | 1999<br>£ |
|-----------------------|---------------|-----------|
| Wages and salaries    | 76,958        | -         |
| Social Security costs | <u>8,323</u>  | <u>-</u>  |
|                       | <u>85,281</u> | <u>-</u>  |

### 4. Interest payable and similar charges

|                               | 2000<br>£ | 1999<br>£     |
|-------------------------------|-----------|---------------|
| On bank loans and overdrafts. | <u>-</u>  | <u>26,393</u> |

# Ward Homes Anglia Limited

## Notes to the accounts (continued)

Year ended 31 October 2000

### 5. Tax on loss on ordinary activities

|                                       | 2000<br>£      | 1999<br>£     |
|---------------------------------------|----------------|---------------|
| UK Corporation Tax at 30% (1999: 31%) | (12,682)       | (8,051)       |
| Adjustment in respect of prior years  | 8,051          | 31,000        |
|                                       | <u>(4,631)</u> | <u>22,949</u> |

The company has surplus tax losses available for carry forward amounting to approximately £1m. (1999 £0.5m)

### 6. Stocks

|                  | 2000<br>£         | 1999<br>£     |
|------------------|-------------------|---------------|
| Land             | 7,376,260         | 65,001        |
| Work in progress | 5,986,916         | -             |
| Raw materials    | 10,074            | -             |
|                  | <u>13,373,250</u> | <u>65,001</u> |

### 7. Debtors

|                                    | 2000<br>£      | 1999<br>£     |
|------------------------------------|----------------|---------------|
| Amounts owed by group undertakings | 636,023        | 85,451        |
| Other Debtors                      | 7,849          | -             |
|                                    | <u>643,872</u> | <u>85,451</u> |

### 8. Creditors: amounts falling due within one year

|                                    | 2000<br>£         | 1999<br>£      |
|------------------------------------|-------------------|----------------|
| Trade creditors                    | 90,755            | 50,547         |
| Amounts owed to group undertakings | 12,339,338        | 851,062        |
| Taxation                           | 31,000            | 31,000         |
| Accruals and deferred income       | 1,534,616         | -              |
|                                    | <u>13,995,709</u> | <u>932,609</u> |

# Ward Homes Anglia Limited

## Notes to the accounts (continued)

Year ended 31 October 2000

### 9. Share Capital

|   | 2000<br>£ | 1999<br>£ |
|---|-----------|-----------|
| <i>Authorised:</i>  |           |           |
| 842,258 Ordinary shares of £1 each (1999 100 ordinary shares) | 842,258   | 100       |
| <i>Allotted, called up and fully paid:</i>                    |           |           |
| 842,257 Ordinary shares of £1 each (1999 99 ordinary shares)  | 842,257   | 99        |

On 11 February 2000 the company was recapitalised by the conversion of loans of £782,158 from the company to its then parent, Ward Holdings Plc. On the 5 October the share capital was increased by £60,000, the shares being subscribed for by Castle Village Limited, in settlement of intercompany loan.

### 10. Reconciliation of movements in shareholders' funds

|                                 | 2000<br>£ | 1999<br>£ |
|---------------------------------|-----------|-----------|
| (Loss) for the financial year   | (38,523)  | (64,422)  |
| Issue of ordinary share capital | 842,158   | -         |
| Opening shareholders' funds     | (782,157) | (717,735) |
| Closing shareholders' funds     | 21,478    | (782,157) |

### 11. Contingent liabilities

The company is party to a multilateral guarantee secured by fixed and floating charges in respect of amounts due on bank loans and overdrafts by Ward Homes Group Limited and its subsidiaries up to a maximum of £44.1m of which £34.4m was outstanding as at 31 October 2000.

### 12. Ultimate Parent Company

The company is a subsidiary undertaking of Castle Village Limited. Its ultimate parent is Ward Homes Group Limited, registered in England and Wales, for which group financial statements are drawn up and of which the company is a member. The ultimate controlling parties are the Phildrew Ventures Fifth Fund LP, the Phildrew Ventures Fifth Fund B LP and Phildrew 2000 LP, who, in aggregate control over 50% of the voting rights of Ward Homes Group Limited.

Copies of the group financial statements can be obtained from 2 Ash Tree Lane, Chatham, Kent.

### 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 Ward Homes Group Limited.