

**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

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<b>WARDS CONSTRUCTION (INDUSTRIAL) LIMITED</b>
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<b>COMPANY INFORMATION</b>
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<b>DIRECTORS</b>	S J Boyes M S Clare (resigned 31 July 2015) D F Thomas
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<b>COMPANY SECRETARY</b>	Barratt Corporate Secretarial Services Limited
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<b>REGISTERED NUMBER</b>	02313000
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<b>REGISTERED OFFICE</b>	Barratt House, Cartwright Way, Forest Business Park Bardon Hill Coalville Leicestershire LE67 1UF
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<b>INDEPENDENT AUDITOR</b>	Deloitte LLP Chartered Accountants and Statutory Auditor London UK
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<b>WARDS CONSTRUCTION (INDUSTRIAL) LIMITED</b>
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**CONTENTS**

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	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4 - 5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 11</b>

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## **WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015**

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The Directors present their annual report and the audited financial statements for the year ended 30 June 2015.

This Directors' report has been prepared in accordance with the provisions applicable to small companies applying the small company exemption. The Company is exempt under s414B of the Companies Act 2006 from the requirement to produce a strategic report.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £16,000 (2014: loss £12,000). The Directors do not recommend the payment of a dividend (2014: £nil).

During the year the Company held an interest in Watson House. Following the year end on 3 July 2015, the Company sold its interest in Watson House for a consideration of £192,600. The company held no other interest in any properties.

#### **DIRECTORS**

The Directors who served during the year and subsequently to the date of this report were:

S J Boyes  
M S Clare (resigned 31 July 2015)  
D F Thomas

#### **DIRECTORS INDEMNITIES**

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and Company Secretary of all Group companies, including Wards Construction (Industrial) Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 of the Companies Act 2006.

#### **GOING CONCERN**

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 30 June 2015 the Company had net assets of £1.5m. The Company's main assets are receivables from other Group companies (Barratt Developments PLC and its subsidiary undertakings, the 'Group'), and the financial position of the Company is therefore dependent upon the performance of the Group.

The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. Factors that particularly impact upon the performance of the Group include changes in the macroeconomic environment including buyer confidence, availability of mortgage finance for the Group's purchasers and interest rates.

The Group has total committed facilities and private placement notes of £848.3m. The final maturity dates of these facilities range from August 2017 to July 2021, with £150.0m of the revolving credit facility maturing in December 2017 and £550.0m of the revolving credit facility maturing in December 2019. The committed facilities and private placement notes provide appropriate headroom above our current forecast debt requirements.

In addition to these committed borrowing facilities the Group has secured £27.9m of financing from the Government's 'Get Britain Building' and 'Growing Places Fund' schemes. The outstanding funds are repayable between December 2015 and March 2018. Further committed loan facilities of £11.5m are available under agreements with local government which are due to be repaid between July 2015 and March 2020.

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## WARDS CONSTRUCTION (INDUSTRIAL) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015

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Accordingly, after making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is an expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006.

#### AUDITOR

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

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



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**D F Thomas**  
Director

Date: 24 November 2015

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**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2015**

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The Directors are responsible for preparing the Directors' 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

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## **WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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We have audited the financial statements of Wards Construction (Industrial) Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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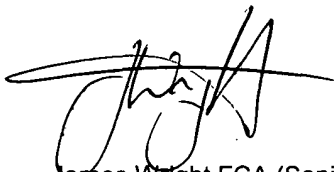
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or  
the financial statements are not in agreement with the accounting records and returns; or  
certain disclosures of directors' remuneration specified by law are not made; or  
we have not received all the information and explanations we require for our audit ; or  
the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



James Wright FCA (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Chartered Accountants and Statutory Auditor

London  
UK

24 November 2015



**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £000	2014 £000
Cost of sales		-	(16)
<b>GROSS PROFIT/(LOSS)</b>		-	(16)
Other operating income	2	19	-
<b>OPERATING PROFIT/(LOSS)</b>	3	19	(16)
Interest receivable and similar income	4	1	1
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		20	(15)
Tax on profit/(loss) on ordinary activities	5	(4)	3
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	10	16	(12)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account. Accordingly no Statement of total recognised gains and losses is presented.

There are no material differences between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**  
**REGISTERED NUMBER: 02313000**

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Note	£000	2015 £000	£000	2014 £000
<b>CURRENT ASSETS</b>					
Stocks	6	12		-	
Debtors: amounts falling due after more than one year	7	-		76	
Debtors: amounts falling due within one year	7	1,971		1,887	
		<u>1,983</u>		<u>1,963</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(475)</u>		<u>(471)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,508</u>		<u>1,492</u>
<b>NET ASSETS</b>			<u>1,508</u>		<u>1,492</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		6,400		6,400
Profit and loss account	10		(4,892)		(4,908)
<b>SHAREHOLDERS' FUNDS</b>	11		<u>1,508</u>		<u>1,492</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 November 2015.



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**D F Thomas**  
 Director

The notes on pages 8 to 11 form part of these financial statements.

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## WARDS CONSTRUCTION (INDUSTRIAL) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year and preceding year (where applicable), are detailed below.

##### 1.2 Going concern

The Directors have formed the conclusion that it is appropriate to prepare the financial statements on a going concern basis as set out in the going concern section of the Directors' report.

##### 1.3 Cash flow

The Company is a wholly owned subsidiary of Wards Construction (Investments) Limited. The ultimate parent Company is Barratt Developments PLC and the cash flows of the Company are included in the consolidated Group cash flow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No.1 (revised) from publishing a cash flow statement.

##### 1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.5 Current Taxation

UK Corporation tax is provided on taxable profits at the current rate.

##### 1.6 Secured loans

Zero coupon loans granted as part of sales transactions that are secured by way of a legal charge on the respective property are classified as secured loans. Secured loans are valued at cost less provisions for impairment.

#### 2. OTHER OPERATING INCOME

	2015 £000	2014 £000
Profit on redemption of equity share loans	19	-

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**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

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**3. OPERATING PROFIT/(LOSS)****Fees paid to the Company's auditor**

Fees payable to the Company's auditor, Deloitte LLP, for the audit of the Company's annual accounts were borne by another Group company and amounted to £3,000 (2014: £3,000). There were no non-audit services provided to this Company in either year.

Fees paid to the Company's auditor for tax compliance were borne by another Group company and amounted to £1,500 in the current year (2014: £1,000).

**Directors' emoluments**

No Director received separate emoluments in respect of their services to this Company (2014: £nil).

S J Boyes, M S Clare and D F Thomas are or were also Directors of the holding company, Barratt Developments PLC. The Directors received total emoluments of £4,430,000 (2014: £4,460,000) during the year, paid by other Group companies. It is not practicable to allocate the emoluments for the Directors between their services as a Director of the Company and other Group companies.

The Company had no employees during the year or prior year.

**4. INTEREST RECEIVABLE**

	2015 £000	2014 £000
Imputed interest on secured loans	1	1

**5. TAXATION**

	2015 £000	2014 £000
UK corporation tax charge/(credit) on profit/loss for the year	4	(3)

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%).

**Factors that may affect future tax charges**

As set out in the Finance Act 2013, the main rate of corporation tax reduced from 21% to 20% on 1 April 2015. Accordingly, the current year tax charge has been provided for at an effective rate of 20.75% (2014: 22.50%).

In the July 2015 Summer Budget the Chancellor of the Exchequer announced the intention to reduce the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and from 19% to 18% with effect from 1 April 2020. These changes had not been substantively enacted at the balance sheet date.

There is no unrecognised deferred tax asset or liability in either year.

**WARDS CONSTRUCTION (INDUSTRIAL) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**6. STOCKS**

	2015 £000	2014 £000
Work in progress	12	-

**7. DEBTORS**

	2015 £000	2014 £000
<b>Due after more than one year</b>		
Trade debtors (secured loans)	-	76
<b>Due within one year</b>		
Amounts owed by Group undertakings	1,933	1,887
Trade debtors (secured loans)	38	-
	<b>1,971</b>	<b>1,887</b>

The amount owed by Group undertakings are interest free and repayable on demand.

The secured loans relate to deferred receivables from the sale of homes which are repayable upon the earlier of resale or at ten years from inception. They are secured by way of a second charge over the home and no interest is currently payable on them.

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

	2015 £000	2014 £000
Amounts owed to group undertakings	471	471
Corporation tax	4	-
	<b>475</b>	<b>471</b>

Amounts owed to Group undertakings are interest free and repayable on demand.

**9. CALLED UP SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
6,400,100 Ordinary shares of £1 each	6,400,100	6,400,100

# WARDS CONSTRUCTION (INDUSTRIAL) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 10. RESERVES

	Profit and loss account £000
At 1 July 2014	(4,908)
Profit for the financial year	16
	<hr/>
At 30 June 2015	<u>(4,892)</u>

### 11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £000	2014 £000
Opening shareholders' funds	1,492	1,504
Profit/(loss) for the financial year	16	(12)
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,508</u>	<u>1,492</u>

### 12. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption permitted by Financial Reporting Standard No.8 'Related Party Disclosures' and has not disclosed intra-group transactions with other companies that are wholly owned by the Group.

### 13. POST BALANCE SHEET EVENTS

On 3 July 2015, the Company sold its interest in Watson House for a consideration of £192,600.

### 14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2015. The consolidated financial statements of Barratt Developments PLC are available from Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

The immediate parent company is Wards Construction (Investments) Limited, a company registered in England and Wales.