

# **Wilcon Homes Anglia Limited**

## **Report and Accounts**

31 December 1998



## Wilcon Homes Anglia Limited

### Directors' Report

The directors present their report and accounts for the period ended 31 December 1998.

#### Principal activities and review of the business

The company's principal activity during the year was private house building.

The results for the year are set out in the profit and loss account on page 5.

#### Incorporation and change of name

The company was incorporated on 14 November 1997 as Legislator 1356 Limited and changed its name to Wilcon Homes Anglia Limited on 1 December 1997.

#### Results and dividends

The profit for the year, after taxation, amounted to £4,474,000. The directors do not recommend the payment of a final ordinary dividend.

#### Directors and directors' interests

The directors of the company at 31 December 1998, are as follows:

LA Wilson	(Appointed 14 November 1997)
IC Black	(Appointed 14 November 1997)
SD Lawther	(Appointed 14 November 1997)
JM Weir	(Appointed 14 November 1997. Resigned 15 June 1998)
JF Tutte	(Appointed 14 November 1997)
DH Livingstone	(Appointed 21 January 1998)
J Badcock	(Appointed 31 March 1998)

No director had any beneficial interest in the shares of the company.

According to the share register maintained under section 325 of the Companies Act 1985, the interests of the directors in the issued shares of the ultimate holding company requiring disclosure in these financial statements were as follows:

#### Wilson Connolly Holdings Plc

Ordinary shares of 25p

	Beneficial Holding	Incentive Share Scheme	Employee Share Scheme	SAYE Share Options	Executive Options
DH Livingstone					
At date of appointment	-	-	-	-	-
Issued	-	21,000	-	-	-
Exercised	-	-	-	-	-
Lapsed	-	-	-	-	-
At 31 December 1998	-	21,000	-	-	-
J Badcock					
At date of appointment	-	6,000	1,360	3,513	-
Issued	-	11,000	1,705	15,333	-
Exercised	-	-	-	-	-
Lapsed	-	-	-	-	-
At 31 December 1998	-	17,000	3,065	18,846	-

## **Wilcon Homes Anglia Limited**

### **Directors' Report**

Messrs LA Wilson, IC Black, SD Lawther and JF Tutte are directors of Wilson Connolly Holdings Plc and their group interests are shown in the financial statements of that company.

#### **Political and charitable donations**

During the year, the company made charitable donations totalling £3,505.

#### **Supplier payment policy**

The Group supports the prompt payment code of the CBI. It agrees payment terms with its suppliers when it enters into purchase contracts. It seeks to adhere to these arrangements providing it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions. As at 31 December 1998, trade creditors represented 15 days purchases.

#### **Millennium compliance**

The ultimate parent company has established a Board-sponsored Year 2000 Programme to manage the potential effects the 'Millennium' issue will have on the Company's computer-based systems, equipment, services and products. The Company has incurred no significant Millennium compliance costs.

The programme has been established in recognition of the size and complexity of the Company's operations and the need to maintain the integrity of its systems at all times, particularly those concerning safety and the provision of essential services to its customers throughout the UK.

The Company is committed to being 'Year 2000 Ready' and the Company has sought assurances on compliance from suppliers, manufacturers and other utilities and operators with whom the Company deals.

#### **Auditors**

A resolution to reappoint KPMG Audit Plc as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 9 March 1999.



SD Lawther  
Director

**Wilcon Homes Anglia Limited**  
**Statement of Directors' Responsibilities**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, 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 accounts 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 accounts 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.

**Wilcon Homes Anglia Limited**  
**Auditors' Report**

**Report of the auditors**  
**to the shareholders of Wilcon Homes Anglia Limited**

We have audited the accounts on pages 5 to 12.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditors

Milton Keynes

*2 June 1999*

**Wilcon Homes Anglia Limited****Profit and Loss Account****for the period from 14 November 1997 to 31 December 1998**

	Notes	1998 £ 000
Turnover	2	57,571
Cost of sales		(44,332)
Gross profit		<hr/> 13,239
Administrative expenses		(5,687)
Operating profit	3	<hr/> 7,552
Interest receivable		9
Interest payable	6	(1,004)
Profit on ordinary activities before taxation		<hr/> 6,557
Taxation on profit on ordinary activities	7	(2,083)
Profit on ordinary activities after taxation		<hr/> 4,474
Retained profit for the year	16	<hr/> 4,474

**Continuing operations**

None of the company's activities were acquired or discontinued during the above financial year.

**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above financial year.

**Note of historical cost profit and loss account**

There is no material difference between the result as disclosed in the profit and loss account above and the historical cost equivalent.

**Wilcon Homes Anglia Limited**  
**Balance Sheet**  
**as at 31 December 1998**

	Notes	1998 £ 000
<b>Fixed assets</b>		
Tangible assets	8	489
<b>Current assets</b>		
Land held for development		42,967
Stocks	9	15,303
Debtors	10	25,845
Cash at bank and in hand		<u>1</u>
		84,116
<b>Creditors: amounts falling due within one year</b>	11	(76,394)
<b>Net current assets</b>		<u>7,722</u>
<b>Total assets less current liabilities</b>		<u>8,211</u>
<b>Creditors: amounts falling due after more than one year</b>	12	(2,279)
<b>Provisions for liabilities and charges</b>	14	(458)
		<u>5,474</u>
<b>Capital and reserves</b>		
Called up share capital	15	1,000
Profit and loss account	16	4,474
<b>Shareholders' funds:</b>		
Equity		<u>5,474</u>
	17	<u>5,474</u>



SD Lawther  
Director

Approved by the board on 9 March 1999

**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

**1 Accounting policies**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Turnover and profits on sales of houses**

Credit for the sale of houses is taken where there has been an exchange of contracts with purchasers and houses are physically completed, provided that legal completion has taken place before the financial statements are approved by the directors.

**Land held for development and work in progress**

Land held for development and houses under construction are stated at the lower of cost and net realisable value.

**Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated

Plant and machinery	20%-33.33%
Motor vehicles	20%-25%
Fixtures and fittings	25%

**Taxation**

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

**Operating leases**

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Pensions**

The company participates in the defined benefit pension scheme of Wilson Connolly Holdings Plc. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from the regular cost are spread over the expected average remaining service lives of the members of the scheme.

**Cash flow statement**

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent company includes the company in its own published consolidated financial statements.



**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

**2 Turnover**

Turnover is attributable to one continuing activity and all sales were made in the United Kingdom.

**3 Operating profit**

**1998**

**£ 000**

This is stated after charging:

Depreciation of owned fixed assets	173
Operating lease rentals - plant and machinery	368
Operating lease rentals - land and buildings	45
Auditors' remuneration	12
	<hr/>

**4 Directors' emoluments**

**1998**

**£ 000**

Emoluments	<hr/> 167
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**Number of directors in company pension schemes:**

**1998**

**Number**

Defined benefit schemes	<hr/> 2
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**5 Staff costs**

**1998**

**£ 000**

Wages and salaries	3,279
Social security costs	284
Other pension costs	205
	<hr/> 3,768

**Average number of employees during the year**

Housebuilding	<hr/> 189
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**6 Interest payable**

**1998**

**£ 000**

Bank loans and overdrafts	<hr/> 1,004
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**7 Tax on profit on ordinary activities**

**1998**

**£ 000**

UK corporation tax	<hr/> 2,083
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**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

**8 Tangible fixed assets**

	Motor vehicles, plant and machinery £ 000	Fixtures and fittings £ 000	Total £ 000
<b>Cost</b>			
Additions	315	58	373
Transfers between group companies	951	46	997
Disposals	(45)	-	(45)
At 31 December 1998	<u>1,221</u>	<u>104</u>	<u>1,325</u>
<b>Depreciation</b>			
Charge for the period	163	10	173
Transfers between group companies	659	42	701
On disposals	(38)	-	(38)
At 31 December 1998	<u>784</u>	<u>52</u>	<u>836</u>
<b>Net book value</b>			
At 31 December 1998	<u>437</u>	<u>52</u>	<u>489</u>

**9 Stocks**

**1998**  
**£ 000**

Work in progress	<u>15,303</u>
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The difference between purchase price or production cost of stocks and their replacement cost is not material.

**1998**  
**£ 000**

Work in progress balances consist of:

Houses under construction	15,438
Amounts received and receivable	(135)
	<u>15,303</u>

**10 Debtors**

**1998**  
**£ 000**

Trade debtors	3,078
Amounts owed by group undertakings	22,394
Other debtors	295
Prepayments and accrued income	78
	<u>25,845</u>

**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

<b>11 Creditors: amounts falling due within one year</b>	<b>1998</b>	
	<b>£ 000</b>	
Bank loans and overdrafts	6,994	
Land creditors	3,915	
Trade creditors	4,002	
Amounts owed to group undertakings	58,670	
Corporation tax	2,093	
Other taxes and social security costs	27	
Other creditors	51	
Accruals and deferred income	642	
	<u>76,394</u>	
<b>12 Creditors: amounts falling due after one year</b>	<b>1998</b>	
	<b>£ 000</b>	
Unsecured loans and deferred amounts payable for land	<u>2,279</u>	
<b>13 Land creditors</b>	<b>1998</b>	
	<b>£ 000</b>	
Analysis of land creditors		
Unsecured loans and deferred amounts payable for land	<u>6,194</u>	
Analysis of maturity of land creditors:		
Within one year or on demand	3,915	
Between one and two years	2,279	
No fixed repayment date	-	
	<u>6,194</u>	
<b>14 Provisions for liabilities and charges</b>	<b>1998</b>	
	<b>£ 000</b>	
At 14 November	-	
Charged to the profit and loss account	458	
	<u>458</u>	
At 31 December		
<b>15 Share capital</b>	<b>1998</b>	<b>1998</b>
	<b>No</b>	<b>£ 000</b>
Authorised:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000</u>
	<b>1998</b>	<b>1998</b>
	<b>No</b>	<b>£ 000</b>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000</u>

**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

**15 Share capital continued**  
**Movement in share capital** **1998**  
**£ 000**

Shares issued	1,000
At 31 December	<u>1,000</u>

**16 Profit and loss account** **1998**  
**£ 000**

Retained profit	4,474
At 31 December	<u>4,474</u>

**17 Reconciliation of movements in shareholders' funds** **1998**  
**£ 000**

Profit for the financial period	4,474
Shares issued	1,000
At 31 December	<u>5,474</u>

**18 Pension commitments**

The company contributes to the Wilson (Connolly) Holdings Pension Scheme. The group operates a funded defined benefits scheme, the assets of which are held in a trustee administered fund. The last valuation was on 1 February 1997. The market value of the Scheme's assets at that date was £15.7m. The valuation showed that the actuarial valuation of those assets was sufficient to cover 126% of the actuarial value of the benefits that had accrued to members. The principal assumptions used in the Projected Unit valuation method were an annual return on investments 1.5% higher than the annual increase in salaries and a growth in equity dividends of 4.5% per annum. The participating companies have contributed at a rate of 14.6% of basic salaries. The rates include a contribution in respect of the permanent health insurance scheme. Employees have contributed at 5% of basic salaries. The total pension charge for the year was £205,000.

**19 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out

	<b>Land and buildings</b>	<b>Other</b>
	<b>1998</b>	<b>1998</b>
	<b>£ 000</b>	<b>£ 000</b>
Operating leases which expire:		
within two to five years	13	71
in over five years	32	-
	<u>45</u>	<u>71</u>

**Wilcon Homes Anglia Limited**  
**Notes to the Accounts**  
**at 31 December 1998**

**20 Contingent liabilities**

The company's bank account is subject to a right of set off against the accounts of the holding company and fellow subsidiary undertakings. In addition, the company has given cross guarantees to the group's bankers securing the borrowings of the other subsidiary undertakings. At 31 December 1998 the group had net borrowings of £67 million (1997: £10 million).

**21 Related party transactions**

All of the company's voting rights are controlled within the group headed by Wilson Connolly Holdings Plc. The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Wilson Connolly Holdings Plc, within which this company is included, can be obtained from the address given in the note 22.

**22 Controlling parties**

The company is a subsidiary of Wilcon Homes Limited which is registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by Wilson Connolly Holdings Plc. The consolidated accounts of the ultimate parent company are available to the public and may be obtained from Thomas Wilson House, Tenter Road, Moulton Park, Northampton, NN3 6QJ.