

**Company Registration No. 04421641**

**Ward Homes Group Limited**

**Report and Financial Statements**

**30 June 2012**

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# **Ward Homes Group Limited**

## **Report and Financial Statements 2012**

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# **Ward Homes Group Limited**

## **Report and Financial Statements 2012**

### **Officers and professional advisers**

#### **Directors**

S J Boyes  
M S Clare  
D F Thomas

#### **Registered Office**

Barratt House  
Cartwright Way  
Forest Business Park  
Bardon Hill  
Coalville  
Leicestershire  
LE67 1UF

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
UK

# **Ward Homes Group Limited**

## **Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 30 June 2012

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006

### **Review of the business, principal activities and future outlook**

Ward Homes Group Limited (the 'Company') is an intermediate holding company for a group of non-trading entities and expects to continue in this role for the foreseeable future

During the year the Company carried out a capital reduction by way of a Declaration of Solvency under sections 641 to 644 of the Companies Act 2006. This had the effect of reducing ordinary share capital by £9,000 to £1,000 as at 30 June 2012 (2011: £10,000) and the cancellation of share premium of £3,909,797

The Company received dividends totalling £37,857,277 from its wholly owned subsidiary, Kealoha II Limited. Following receipt of these dividends, the Company's investment in this subsidiary was impaired to the net book value of that company's net assets. During the year the Company paid interest on its loan to its immediate subsidiary, Kealoha II Limited. By 30 June 2012, the Company had settled its intercompany debtor and creditor balances in full.

### **Results and dividends**

The Company made a profit after tax of £26,810,141 (2011: loss of £14,313). The Directors proposed and paid an interim dividend of £36.61 per share (2011: nil) during the year. The total dividends paid were £36,612,613 (2011: £nil).

### **Post Balance Sheet Events**

On 2<sup>nd</sup> July 2012 the Company settled its bank overdraft of £5,053 by way of the surrender of its corporation tax debtor of £5,053 to group relief in exchange for cash from its immediate subsidiary Kealoha II Limited.

### **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 2012 and 2 July 2012, the Company had net assets of £6,000. The Company's main assets are its investments in other Group companies (Barratt Developments PLC and its subsidiary undertakings, the 'Group'), and the financial position of the Company is therefore dependent on 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.

At 30 June 2012, the Group's total committed facilities and private placement notes were £1,091m. The maturity dates of these facilities range from April 2013 to July 2021, with £690m of the Group's Revolving Committed Facilities ('RCFs') maturing in May 2015. The covenant package also remains unchanged to that announced in May 2011. On 6 September 2012, the Group gave voluntary notice to cancel the £90m RCF with effect from 12 September 2012, which reduces the Group's total committed facilities and private placement notes to £1,001m. The Group believes that the committed facilities and private placement notes now in place provide appropriate headroom above its current forecast debt requirements for the foreseeable future.

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.

# **Ward Homes Group Limited**

## **Directors' report (continued)**

### **Directors**

The names of the Directors who held office during the year and subsequently to the date of this report were as follows

S J Boyes  
R J R Brooke (resigned 20 April 2012)  
M S Clare  
C Fenton (resigned 5 July 2012)  
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 Ward Homes Group 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.

### **Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself 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.

Approved by the Board of Directors  
and signed on behalf of the Board



D F Thomas  
Director

22 November 2012

# **Ward Homes Group Limited**

## **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). 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 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 judgements and estimates that are reasonable and prudent, 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 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.

## **Independent auditor's report to the members of Ward Homes Group Limited**

We have audited the financial statements of Ward Homes Group Limited for the year ended 30 June 2012 which comprise the profit and loss account, balance sheet and the related notes 1 to 12. 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 Statement of Directors' responsibilities, 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 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. 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 2012 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 matters 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.

## **Independent auditor's report to the members of Ward Homes Group Limited (continued)**

### **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 take advantage of the small companies exemption in preparing the Directors' report



Mark Tolley (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

22 November 2012



# Ward Homes Group Limited

## Profit and loss account Year ended 30 June 2012

	Notes	2012 £	2011 £
Impairment of investments in subsidiaries	6	(11,032,803)	-
Interest payable	3	(19,815)	(19,742)
Income received from fixed asset investments	6	37,857,277	-
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>26,804,659</b>	<b>(19,742)</b>
Tax on profit/(loss) on ordinary activities	4	5,482	5,429
<b>Profit/(loss) for the financial year</b>	10	<b>26,810,141</b>	<b>(14,313)</b>

The accompanying notes are an integral part of this profit and loss account

All activities of the Company are continuing

The Company has no recognised gains or losses in either year other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit/(loss) on ordinary activities before taxation for the years stated above and their historical cost equivalents

# Ward Homes Group Limited


## Balance sheet 30 June 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Investments	6	6,000	11,038,803
<b>Current assets</b>			
Debtors amounts falling due within 1 year	7	5,053	98,409
<b>Creditors</b>			
Amounts falling due within 1 year	8	(5,053)	(1,328,740)
<b>Net current liabilities</b>		-	(1,230,331)
<b>Total assets less current liabilities being net assets</b>		<u>6,000</u>	<u>9,808,472</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	10,000
Share premium account	10	-	3,909,797
Profit and loss account	10	5,000	5,888,675
<b>Shareholder's funds</b>	11	<u>6,000</u>	<u>9,808,472</u>

The accompanying notes are an integral part of this balance sheet

The financial statements of Ward Homes Group Limited (registered number 04421641) were approved by the Board of Directors and authorised for issue on 22 November 2012

Signed on behalf of the Board of Directors



D F Thomas  
Director

# **Ward Homes Group Limited**

## **Notes to the financial statements Year ended 30 June 2012**

### **1. Accounting policies**

#### **Basis of preparation**

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, are detailed below.

#### **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.

#### **Cash flow statement**

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

#### **Group Accounts**

The financial statements contain information about Ward Homes Group Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Barratt Developments PLC, a company registered in England.

#### **Current taxation**

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

#### **Investments**

Shares in subsidiary companies are stated at cost less any impairment. In the Directors' opinion, the aggregate value of the assets of subsidiary undertakings is not less than the value at which the investment is shown in the balance sheet.

#### **Transactions with related parties**

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.

# Ward Homes Group Limited

## Notes to the financial statements (continued) Year ended 30 June 2012

### 2. Profit/(loss) on ordinary activities before taxation

#### Income from fixed asset investments and impairment of investment

During the year the Company received dividends totalling £37,857,277 from its wholly owned subsidiary, Kealoha II Limited. Following receipt of this dividend, the Company's investment in this subsidiary was impaired to the net book value of that company's net assets.

#### Payments on interest bearing intercompany loans

During the year the Company paid interest on its loan owed to its immediate subsidiary, Kealoha II Limited. By 30 June 2012, the Company had settled its intercompany debtor and creditor balances in full.

#### Directors and employees

S J Boyes, M S Clare, C Fenton (until his resignation on 5 July 2012) and D F Thomas are also Directors of the ultimate parent company, Barratt Developments PLC and R J R Brooke was also a Director of BDW Trading Limited. Total Directors' emoluments for the year were £5,293,000 (2011 £3,987,000). These were 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. No Director received separate emoluments in respect of their services to the Company (2011 none). In addition, no Directors (2011 none) have accrued benefits under the Barratt Developments PLC group pension scheme which is a defined benefit scheme.

The Company had no employees in either year.

#### Auditors

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 £2,000 in the current year (2011 £2,000). Fees paid to the Company's auditor for tax compliance were borne by another Group company and amounted to £2,100 in the current year (2011 £1,000). Fees payable to the Company's auditor in respect of other audit related services during the year were £3,000 (2011 £nil).

### 3. Interest payable

	2012 £	2011 £
Interest payable on loan from Group undertakings	<u>19,815</u>	<u>19,742</u>

### 4. Tax on profit/(loss) on ordinary activities

#### (a) Analysis of charge in the year

	2012 £	2011 £
UK corporation tax at 25.5% (2011 27.5%)	(5,053)	(5,429)
Adjustment in respect of prior years	<u>(429)</u>	-
<b>Tax on profit/(loss) on ordinary activities</b>	<u><b>(5,482)</b></u>	<u><b>(5,429)</b></u>

# Ward Homes Group Limited

## Notes to the financial statements (continued) Year ended 30 June 2012

### 4. Tax on profit/(loss) on ordinary activities (continued)

#### (b) Factors affecting the tax charge for the year

The tax rate assessed for the year is lower than (2011 equal to) the effective standard rate of corporation tax in the UK. The differences are explained below

	2012 £	2011 £
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>26,804,659</b>	<b>(19,742)</b>
Profit/(loss) on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 25.5% (2011 27.5%)	6,835,188	(5,429)
Non-taxable dividend received	(9,653,606)	-
Non-deductible impairment	2,813,365	-
Adjustment in respect of prior years	(429)	-
<b>Total current tax</b>	<b>(5,482)</b>	<b>(5,429)</b>

#### (c) Factors that may affect future tax charge

Legislation reducing the main rate of corporation tax to 24% with effect from 1 April 2012 was substantively enacted on 29 March 2012. Accordingly, the current year tax charge has been provided for at an effective rate of 25.5%.

An additional reduction in the main rate of corporation tax from 24% to 23% with effect from 1 April 2013 was enacted within the Finance Act 2012 on 17 July 2012.

A further reduction in the main rate of corporation tax of 1% to 22% on 1 April 2014 has been announced by the Government but has not yet been substantively enacted.

There is no unrecognised deferred tax asset or liability at 30 June 2012 (2011: £nil).

### 5 Dividends

	2012 £	2011 £
Interim proposed and paid at £36.61 per share (2011: £nil)	36,612,613	-

# Ward Homes Group Limited

## Notes to the financial statements (continued) Year ended 30 June 2012

### 6. Investments held as fixed assets

	Company shares in subsidiaries £
<b>Cost</b>	
At 30 June 2012 and 1 July 2011	11,038,803
<b>Provision</b>	
Provision for impairments at 1 July 2011	-
Impairment of investment in subsidiary	11,032,803
<b>Provision for impairments at 30 June 2012</b>	<b>11,032,803</b>
<b>Net book value at 30 June 2012</b>	<b>6,000</b>
Net book value at 30 June 2011	11,038,803

During the year the Company received dividends totalling £37,857,277 from its wholly owned subsidiary, Kealoha II Limited. Following receipt of these dividends, the Company's investment in this subsidiary was impaired to the net book value of that company's net assets.

Subsidiary undertaking	Country of incorporation and operation	Activity	Proportion of ordinary shares held
CV (Ward) Limited †	England and Wales	Holding company	100%
Kealoha II Limited	England and Wales	Holding company	100%
Ward (Showhomes) Limited †	England and Wales	Dormant	100%
Ward Brothers (Gillingham) Limited †	England and Wales	Dormant	100%
Ward Country Houses Limited †	England and Wales	Dormant	100%
Ward Holdings Limited †	England and Wales	Holding company	100%
Ward Homes (London) Limited †	England and Wales	Non-Trading	100%
Kealoha Limited †	England and Wales	Dormant	100%
Ward Homes (South Eastern) Limited †	England and Wales	Dormant	100%
Ward Homes Limited †	England and Wales	Non-Trading	100%
Ward Homes (North Thames) Limited †	England and Wales	Non-Trading	100%
Ward Insurance Services Limited †	England and Wales	Dormant	100%
Broomhill Park Estates Residents Association Limited †	England and Wales	Dormant	87.006%
Wards Construction (Industrial) Limited †	England and Wales	Property development	0.001%

# Ward Homes Group Limited

## Notes to the financial statements (continued) Year ended 30 June 2012

### 6. Investments held as fixed assets (continued)

<sup>†</sup> held indirectly

During the year, the Company's indirectly owned subsidiary, Ward Holdings Limited, disposed of its investment in Wards Construction (Investments) Limited and, as a consequence its 99.999% indirect investment in Wards Construction (Industrial) Limited, to a fellow Group undertaking

### 7. Debtors: amounts falling due within one year

	2012 £	2011 £
Amounts due from Group undertakings	-	92,980
Corporation tax	5,053	5,429
	<u>5,053</u>	<u>98,409</u>

Amounts due from Group undertakings are interest free and repayable on demand

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

	2012 £	2011 £
Bank overdraft	5,053	-
Amounts owed to Group undertakings	-	1,328,740
	<u>5,053</u>	<u>1,328,740</u>

Amounts owed to Group undertakings are interest bearing at market rates and repayable on demand

### 9. Called up share capital

	2012 £	2011 £
<b>Called up, allotted and fully paid</b>		
226,000 (2011: 226,000) A1 Ordinary shares at 0.1p each (2011: 0.1p each)	226	2,260
214,000 (2011: 214,000) A2 Ordinary shares at 0.1p each (2011: 0.1p each)	214	2,140
560,000 (2011: 560,000) B Ordinary shares at 0.1p each (2011: 0.1p each)	560	5,600
	<u>1,000</u>	<u>10,000</u>

All shares rank pari passu on a winding-up and carry equal voting rights

# Ward Homes Group Limited

## Notes to the financial statements (continued) Year ended 30 June 2012

### 9 Called up share capital (continued)

During the year the Company's share capital has been reduced by £9,000 to £1,000 by means of a Declaration of Solvency under sections 641 to 644 of the Companies Act 2006. Wilson Bowden Limited continues to remain as the Company's sole shareholder and immediate parent.

### 10. Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 July 2011	3,909,797	5,888,675	9,798,472
Profit for the financial year	-	26,810,141	26,810,141
Dividends paid (note 5)	-	(36,612,613)	(36,612,613)
Reduction in share capital (note 9)	-	9,000	9,000
Cancellation of share premium	(3,909,797)	3,909,797	-
<b>At 30 June 2012</b>	<b>-</b>	<b>5,000</b>	<b>5,000</b>

During the year the Company's share premium of £3,909,797 was cancelled by means of a reduction in share capital and a Declaration of Solvency under sections 641 to 644 of the Companies Act 2006.

### 11. Reconciliation of movements in shareholder's funds

	2012 £	2011 £
Opening shareholder's funds	9,808,472	9,822,785
Profit for the financial year	26,810,141	(14,313)
Dividends paid (note 5)	(36,612,613)	-
<b>Closing shareholder's funds</b>	<b>6,000</b>	<b>9,808,472</b>

### 12. Immediate and ultimate parent company 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 2012. 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 Wilson Bowden Limited, a company incorporated in Great Britain and registered in England.