

Company Registration No. 04421641

Ward Homes Group Limited

Report and Financial Statements

30 June 2013



Ward Homes Group Limited

Report and Financial Statements 2013

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Ward Homes Group Limited

Report and Financial Statements 2013

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 2013

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 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

Results and dividends

The Company made a profit after tax of £nil (2012 £26,810,141) The Directors proposed and paid an interim dividend of £nil per share (2012 £36.61 per share) during the year The total dividends paid were £nil (2012 £36,612,613)

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 2013, the Company had net assets of £6,000 The Company's 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

On 14 May 2013 the Group agreed a comprehensive refinancing package This provides the Group with around £850m of committed facilities and private placement notes to June 2016 and £650m to May 2018 The committed facilities and private placement notes now in place provide appropriate headroom above the Group's current forecast debt requirements In addition, in order to enable it to take advantage of current opportunities in the land market, the Group has agreed terms upon an additional £50m two year term loan, which became available from 3 October 2013

In addition to the new borrowing facilities agreed in May 2013 the Group has secured £30m of financing from the Government's 'Get Britain Building' and 'Growing Places Fund' schemes during the year These funds are repayable between 30 June 2014 and 30 June 2018

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
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

23 October 2013

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 2013 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 2013 and of its result 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

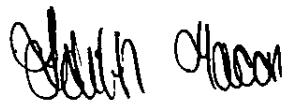
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



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

23 October 2013

Ward Homes Group Limited

Profit and loss account Year ended 30 June 2013

	Notes	2013 £	2012 £
Impairment of investments in subsidiaries	6	-	(11,032,803)
Interest payable	3	-	(19,815)
Income received from fixed asset investments	6	-	37,857,277
Profit on ordinary activities before taxation	2	-	26,804,659
Tax on profit on ordinary activities	4	-	5,482
Profit for the financial year	10	-	26,810,141

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 result/profit above and therefore no separate statement of total recognised gains and losses has been presented

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

Ward Homes Group Limited

Balance sheet 30 June 2013

	Notes	2013 £	2012 £
Fixed assets			
Investments	6	6,000	6,000
Current assets			
Debtors amounts falling due within 1 year	7	-	5,053
Creditors			
Amounts falling due within 1 year	8	-	(5,053)
Net current assets		-	-
Total assets plus current assets being net assets		<u>6,000</u>	<u>6,000</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	5,000	5,000
Shareholder's funds	11	<u>6,000</u>	<u>6,000</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 23 October 2013

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 2013**

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 2013

2. Profit on ordinary activities before taxation

Income from fixed asset investments and impairment of investment

The Company received no income from its investments during the year ended 30 June 2013

During the previous 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 previous 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. Total Directors' emoluments for the year were £4,354,000 (2012 £5,293,000). 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 (2012 none). In addition, no Directors (2012 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.

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 £2,000 in the current year (2012 £2,000). Fees paid to the Company's auditor for tax compliance were borne by another Group company and amounted to £nil in the current year (2012 £2,100). Fees payable to the Company's auditor in respect of other audit related services during the year were £nil (2012 £3,000).

3. Interest payable

	2013 £	2012 £
Interest payable on loan from Group undertakings	-	19,815

4. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
UK corporation tax at 23.75% (2012 25.5%)	-	(5,053)
Adjustment in respect of prior years	-	(429)
Tax on profit on ordinary activities	-	(5,482)

Ward Homes Group Limited

Notes to the financial statements (continued)

Year ended 30 June 2013

4. Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge for the year

The tax rate assessed for the year is equal to (2012 lower than) the effective standard rate of corporation tax in the UK. The differences in the previous year are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	-	26,804,659
Profit/(loss) on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 23.75% (2012 25.5%)	-	6,835,188
Non-taxable dividend received	-	(9,653,606)
Non-deductible impairment	-	2,813,365
Adjustment in respect of prior years	-	(429)
Total current tax	-	(5,482)

(c) Factors that may affect future tax charge

Legislation reducing the main rate of corporation tax to 23% with effect from 1 April 2013 was enacted on 17 July 2012. Accordingly, the current year tax charge has been provided for at an effective rate of 23.75% in these financial statements.

Additional reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015 was enacted within the Finance Act 2013 on 17 July 2013.

There is no unrecognised deferred tax asset or liability at 30 June 2013 (2012: £nil).

5. Dividends

	2013 £	2012 £
Interim proposed and paid £nil, (2012: £36.61) per share	-	36,612,613

Ward Homes Group Limited

Notes to the financial statements (continued) Year ended 30 June 2013

6. Investments held as fixed assets

	Company shares in subsidiaries £
Cost	
At 30 June 2013 and 1 July 2012	11,038,803
Provision for impairments	
At 30 June 2013 and 1 July 2012	11,032,803
	<hr/>
Net book value at 30 June 2013	6,000
	<hr/>
Net book value at 30 June 2012	6,000
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During the previous 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%

† held indirectly

Ward Homes Group Limited

Notes to the financial statements (continued)

Year ended 30 June 2013

6. Investments held as fixed assets (continued)

During the previous 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

	2013 £	2012 £
Corporation tax	-	5,053
	<u>-</u>	<u>5,053</u>
Amounts due from Group undertakings were interest free and repayable on demand		

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Bank overdraft	-	5,053
	<u>-</u>	<u>5,053</u>

9 Called up share capital

	2013 £	2012 £
Called up, allotted and fully paid		
226,000 (2012: 226,000) A1 Ordinary shares at 0.1p each (2012: 0.1p each)	226	226
214,000 (2012: 214,000) A2 Ordinary shares at 0.1p each (2012: 0.1p each)	214	214
560,000 (2012: 560,000) B Ordinary shares at 0.1p each (2012: 0.1p each)	560	560
	<u>1,000</u>	<u>1,000</u>

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

During the previous year the Company's share capital was 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.

Ward Homes Group Limited

Notes to the financial statements (continued) Year ended 30 June 2013

10. Profit and loss account

	Profit and loss account £
At 30 June 2013 and 1 July 2012	<u>5,000</u>

During the previous 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

	2013 £	2012 £
Opening shareholder's funds	6,000	9,808,472
Profit for the financial year	-	26,810,141
Dividends paid (note 5)	-	(36,612,613)
Closing shareholder's funds	<u>6,000</u>	<u>6,000</u>

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 2013. 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.