WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENT

FOR THE PERIOD ENDED 2 APRIL 2011

COMPANY REGISTRATION NUMBER: 02348830

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WILLAN DEVELOPMENTS LIMITED

ANNUAL REPORT FOR THE PERIOD ENDED 2 APRIL 2011

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WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 APRIL 2011

The directors present their report and audited financial statements of the company for the period, being the 52 weeks to 2 April 2011

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity is that of property development The results for the period were disappointing and further action has being taken to continue the improvement in the future profitability of the company

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £148,191 (2010 loss £255,658) The directors did not propose or pay a dividend during the period (2010 £nil) The loss for the period has been transferred from reserves

DIRECTORS

The directors who held office during the period, and up to the date of signing the report, were as follows

R P A Willan
A P Stewart
A D Booth

FINANCIAL RISK MANAGEMENT

The directors manage financial risk on a group wide basis Details of the group's financial risk management policies can be found in the financial statements of Willan Group Limited

CHARITABLE DONATIONS

There have been no charitable or political donations (2010 £nil) made in the period

DIRECTORS' INDEMNITY INSURANCE

The company maintains liability insurance for its directors and officer under a policy held by Willan UK Limited, the company's immediate parent company The company also provides indemnity for its directors, which is a qualifying third party indemnity for the purposes of the Companies Act 2006 These liability and indemnity provisions remain in place at the date of this report

WILLAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 2 APRIL 2011 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period Under that law the directors have prepared 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 to 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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

For all persons who are directors at the time of the approval of the annual report

a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
b) each director has taken all the steps necessary as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies with Part 15 of the Companies Act 2006

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting

By Order of the Board

A D Booth.

A D BOOTH
Company Secretary
Company No 2348830

13 June 2011

WILLAN DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WILLAN DEVELOPMENTS LIMITED

We have audited the financial statements of Willan Developments Limited for the period ended 2 April 2011, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 directors' report to identify material inconsistencies with the audited financial statement If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 April 2011 and of its loss for the 52 week period 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 period for which the financial statements are prepared is consistent with the financial statements

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 by the company, 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 financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report

PricewaterhouseCoopers LLP

Martin Heath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

13 June 2011

WILLAN DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 2 APRIL 2011

	Note	Period ended 2 April 2011 £	Period ended 3 April 2010 £
TURNOVER	2	43,990	25,413
Cost of sales		(40,164)	(139,182)
GROSS PROFIT/ (LOSS)		3,826	(113,769)
Administrative expenses		(208,090)	(242,797)
OPERATING LOSS	3	(204,264)	(356,566)
Interest receivable and similar income	5	91	2,215
Interest payable and similar charges	6	(2,050)	(149)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(206,223)	(354,500)
Tax credit on loss on ordinary activities	7	58,032	98,842
LOSS FOR THE FINANCIAL PERIOD	16	(148,191)	(255,658)

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and their historical cost equivalents

The above results are derived from continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 2 APRIL 2011

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Loss for the financial period	(148,191)	(255,658)
Unrealised profit on revaluation of properties	5,000	-
Total recognised loss for the period	(143,181)	(255,658)

The notes on pages 7 to 13 form part of these financial statements

WILLAN DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 2 APRIL 2011

	Note	2 April 2011		3 April 2010	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		-		-
Investments	9		755,238		760,730
			755,238		760,730
CURRENT ASSETS					
Stocks	10	134,208		132,013	
Debtors	11	66,875		125,982	
Cash at bank		6,636		14,977	
			207,719		272,972
CREDITORS - Amounts falling due within one year	12		(201,318)		(128,872)
NET CURRENT ASSETS			6,401		144,100
NET ASSETS			761,639		904,830
CAPITAL AND RESERVES					
Called up share capital	14		1,000,000		1,000,000
Revaluation reserve	15		5,000		-
Profit and loss account	16		(243,361)		(95,170)
TOTAL SHAREHOLDERS' FUNDS	17		761,639		904,830

The financial statements on pages 5 to 13 were approved by the board of directors on 13 June 2011 and signed on its behalf by

R P A Willan
Director
Company No 02348830

The notes on pages 7 to 13 form part of these financial statements

WILLAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 2 APRIL 2011

1 ACCOUNTING POLICIES

(a) Accounting convention

These financial statements are prepared on the going concern basis under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards in the United Kingdom Compliance with Statement of Standard Accounting Practice Number 19 "Accounting for Investment Properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and amortisation

(b) Investment properties

In accordance with SSAP19

- Investment properties are held in the balance sheet at their open market value Residential property valuations are based on vacant possession values in present condition, using a discount factor to relate to tenanted values Commercial property valuations are based on anticipated yields achievable in the current market climate
- Investment properties are revalued annually, with the aggregate surplus or deficit being transferred to a revaluation reserve
- No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties with over twenty years to run

This departure from the requirements of the Companies Act 2006, which requires all properties to be depreciated is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards

The depreciation or amortisation (which would, had the provision of the Act been followed, have reduced the profit for the period) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonable be separately identified or quantified

(c) Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Provision is made for depreciation on tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life as follows

Computer equipment	25% straight line

(d) Stocks and work in progress

Land on hand, exchanged properties and materials are valued at the lower of cost and estimated net realisable value Work in progress and finished property held for sale are valued at the cost of construction, including attributable interest Purchase options over land are included at cost when it is considered that the purchase is virtually certain, or at estimated market value if lower

(e) Taxation

The company provides for corporate taxation on the results for the period at the normal rate applicable to that period

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that have resulted in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted Deferred tax balances are not discounted

(f) Leasing

Hire costs in respect of operating leases are charged against profit during the period in which they are incurred

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 2 APRIL 2011

1 ACCOUNTING POLICIES (CONTINUED)

(g) Capitalisation of interest

Stocks and work in progress include appropriate interest costs relating to the development and financing of a project

(h) Pensions

Employees

The company contributes to individual group personal pension policies based on defined contributions Further details of pensions arrangements are disclosed in the financial statements of Willan Group Limited Contributions paid direct to employees' personal pension plans are charged in the period in which they fall due

(h) Pensions - continued

Directors

The group operates a pension fund for certain of the directors which is financed through a separate trustee administered fund All contributions are charged against profit as incurred and are based upon actuarial advice

(i) Investments

Investments comprise equity shares held at cost in properties over which the company holds a legal charge and commercial property held for the purpose of letting

2 TURNOVER

Turnover, which arose entirely in the United Kingdom represents the amounts receivable for goods and services supplied to customers, excluding value added tax All turnover and profit before taxation arises from the continuing activity of property development work Revenue is recognised on legal completion Contingent consideration is only recognised if its receipt is considered virtually certain

3 OPERATING LOSS

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Operating loss is stated after charging		
Auditors' remuneration	4,000	4,000

4 DIRECTORS AND EMPLOYEES

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Directors' remuneration	71,973	67,589

One director (2010 one) accrued retirement benefits under a money purchase pension scheme Company contributions to this scheme were £5,297 (2010 £5,498) in the period

4 DIRECTORS AND EMPLOYEES (CONTINUED)

Employee costs during the period	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Wages and salaries	70,568	49,451
Social security costs	8,588	8,271
Other pension costs	5,298	5,390
	84,454	63,112
	Number	Number
Monthly average number of employees		
Administration	1	1

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Inter company interest receivable	91	2,215

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Bank Interest	1	3
Inter company interest payable	2,049	146
	2,050	149

7 TAX ON (LOSS) ON ORDINARY ACTIVITIES

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
UK Corporation Tax at 28% (2010 28%)		
- current period	(57,582)	(98,424)
- adjustment in respect of prior periods	706	124
Total current tax	(56,876)	(98,300)
Deferred taxation		
- current period	(1,156)	(542)
Total deferred tax	(1,156)	(542)
Total tax (credit)	(58,032)	(98,842)

7 TAX ON (LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting the tax charge for the period

The tax credit assessed for the period is lower (2010 lower) than the standard rate of corporation tax in the UK (28%) The differences are explained below

	Period ended 2 April 2011 £	Period ended 3 April 2010 £
Loss on ordinary activities before tax	(206,223)	(354,500)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 28% (2010 28%)	(57,742)	(99,260)
Expenses not deductible	-	294
Depreciation in excess of capital allowances and other timing differences	(112)	542
Other timing differences	272	-
Adjustment in respect of prior periods	706	124
Current tax credit for the period	(56,876)	(98,300)

The directors consider it more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements

The Chancellor of the Exchequer announced in his emergency budget on 22 June 2010 that the rate of corporation tax would be reduced by 1 percentage point each year until 2014, down to a rate of 24% On 24 June 2010 the Emergency Budget measures were partially enacted and so in accordance with relevant accounting standards, the calculation of the deferred tax provision at 2 April 2011 has been calculated at 28%

8 TANGIBLE ASSETS

	Computer Equipment £
COST	
At 2 April 2010 and 2 April 2011	5,568
ACCUMULATED DEPRECIATION	£
At 3 April 2010 and 2 April 2011	5,568
NET BOOK AMOUNT	
At 3 April 2010 and 2 April 2011	-

There was no capital expenditure contracted but not accrued as at 2 April 2011 (2010 £nil)

9 INVESTMENTS

	2 April 2011 £	3 April 2010 £
Equity shares	85,238	95,730
Investment property	670,000	665,000
	755,238	760,730

The equity shares represent investments held in properties sold by the company over which the company holds a legal charge

The investment property is held on the balance sheet at open market value The opening valuation of £665,000 was professionally values by King Sturge & Co, Chartered Surveyors The closing valuation of £670,000 was valued by a professionally qualified director of the company, who is a Fellow of the Royal Institute of Chartered Surveyors Any increase in valuation has been taken to the revaluation reserve

10 STOCKS

	2 April 2011 £	3 April 2010 £
Work in progress	134,208	132,013

Included within work in progress is capitalised interest of £7,138 (2010 £7,138)

11 DEBTORS

	2 April 2011 £	3 April 2010 £
Amounts owed by other group undertakings	-	20,123
Other debtors	1,409	1,449
Social security and other taxes	-	261
Prepayments and accrued income	6,167	5,292
Corporation tax	57,582	98,296
Deferred tax (Note 13)	1,717	561
	66,875	125,982

Amounts due by group companies are unsecured and repayable on demand

12 CREDITORS - Amounts falling due within one year

	2 April 2011 £	3 April 2010 £
Trade creditors	13,220	14,853
Amounts owed to other group undertakings	56,287	-
Other creditors	40,000	40,000
Social security and other taxes	2,811	2,318
Accruals	89,000	71,701
	201,318	128,872

Amounts due to group companies are unsecured and repayable on demand

NOTES TO THE FINANCIAL STATEMENTS – PERIOD ENDED 2 APRIL 2011 (CONTINUED)

13 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax asset	£
At 3 April 2010	(561)
Credit to profit and loss account	(1,156)
At 2 April 2011	(1,717)

	2 April 2011 £	3 April 2010 £
Deferred taxation provided in the accounts comprises		
Excess of depreciation over capital allowances	(417)	(561)
Short term timing differences	(1,300)	-
Total deferred tax provision	(1,717)	(561)

14 CALLED UP SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	2011 £	2010 £	2011 £	2010 £
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Number of shares	Number	Number	Number	Number
At 3 April 2010 and 2 April 2011	1,000,000	1,000,000	1,000,000	1,000,000

15 REVALUATION RESERVE

	£
At 3 April 2010	-
Revaluation during the period	5,000
At 2 April 2011	5,000

16 PROFIT AND LOSS ACCOUNT

	£
At 3 April 2010	(95,170)
Loss for the period	(148,191)
At 2 April 2011	(243,361)

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2 April 2011 £	3 April 2010 £
Loss for the period	(148,191)	(255,658)
Revaluations during the period	5,000	-
Net reduction from shareholders' funds	(143,191)	(255,658)
Opening shareholders' funds	904,830	1,160,488
Closing shareholders' funds	761,639	904,830

18 PENSION OBLIGATIONS

i) Employees
The company contributes to individual group personal pension policies based on defined contributions Further details of pension arrangements are disclosed in the financial statements of Willan Group Limited Contributions paid direct to employees' personal pension plans are charged in the period in which they fall due There were no contributions prepaid or outstanding at the balance sheet date

ii) Directors
Willan Group Limited operates a pension fund for certain of the directors, which is financed through a separate trustee administered fund All contributions are charged against profit as incurred and are based upon actuarial advice

19 CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Willan Group Limited and is included in the consolidated financial statements of Willan Group Limited, which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996) The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Willan Group Limited

20 ULTIMATE PARENT UNDERTAKING AND CONTROL

The company's immediate parent undertaking is Willan UK Limited, which is registered in England The company's ultimate parent undertaking is Willan Group Limited, a company registered in England The company's ultimate controlling party is certain members of the Willan family, principally RPA Willan Copies of the Group financial statements of Willan Group Limited can be obtained from the registered office at 2 Brooklands Road, Sale, Cheshire M33 3SS

21 DIVIDENDS

The directors do not propose a final dividend for the period ended 2 April 2011 (2010 £nil)