

**Linden Homes South East Limited**

**Registered number: 2849445**

**Annual report and financial statements**

**Year ended 30 June 2008**



# **Linden Homes South East Limited**

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# **Linden Homes South East Limited**

## **Directors and advisers**

### **Directors**

S Amato  
D J Evans  
A K G Mackenzie  
D W Tilman  
D E Maddox  
P H Youll  
P D Cooper      Appointed 1 July 2008  
N P Champness   Appointed 1 July 2008

### **Secretary**

P D Money

### **Registered office**

Cowley Business Park  
Cowley  
Uxbridge  
Middlesex  
UB8 2AL

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Registered Auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
Middlesex  
UB8 1EX

### **Bankers**

HSBC Bank  
165 High Street  
Southampton  
SO14 2NZ

# **Linden Homes South East Limited**

## **Directors' report for the year ended 30 June 2008**

The directors submit their annual report and the audited financial statements of Linden Homes South East Limited ("the company") for the year ended 30 June 2008. The comparative figures are for the six month period ended 30 June 2007.

### **Principal activities**

The principal activities of the company are residential property development on brownfield sites purchased for development within the United Kingdom.

### **Review of business and future developments**

Following the acquisition of Linden Holdings Limited by Galliford Try plc, the company's ultimate parent company, the housebuilding businesses of Galliford Try plc have been reorganised. With effect from the close of business on 30 June 2007, the trade and assets and liabilities of Linden Homes South East Limited were transferred to Linden Limited (formerly known as Try Homes Limited) and the company has ceased to trade.

### **Results and dividends**

A summary of the company's results is given on page 5 of the financial statements.

The company made no profit or loss for the year ended 30 June 2008 (six months ended 30 June 2007: £1,560,000).

The directors paid a final dividend for 2007 of £158.80 per share amounting to £1,588,000 (30 June 2007: £510.00 per £1 share amounting to £5,100,000).

### **Financial risk management**

The company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk and interest rate risk. The policies in place to mitigate the potential impact of these financial risks are as follows:

Where appropriate, credit checks are made prior to the appointment of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Monthly reviews of the debtor's ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the company's liquidity position.

The rate of interest earned and paid on the company's cash balances and loans and overdrafts are monitored, by the ultimate holding company Galliford Try plc, on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements.

Galliford Try plc actively maintains an appropriate level of cash reserves that is available for operations and planned expansions. The group ensures that sufficient cash reserves are made available to its subsidiary undertakings.

### **Directors**

The present directors of the company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements, except where indicated. P D Cooper and N P Champness were appointed as directors of the company on 1 July 2008.

A Corser, S Lavers and C Coates resigned as directors of the company on 7 July 2007, 31 May 2008 and 30 June 2008 respectively.

Following shareholder approval, the company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

# **Linden Homes South East Limited**

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# **Linden Homes South East Limited**

## **Directors' report for the six months ended 30 June 2008 (continued)**

### **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). The financial statements are required by law to 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 those 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.

### **Disclosure of information to auditors**

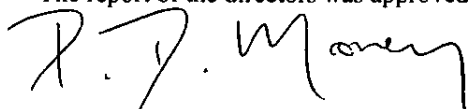
Each of the persons who is a director at the date of the approval of this report confirms that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next AGM.

The report of the directors was approved by the Board on 26 November 2008 and signed on its behalf by:



P Money  
Secretary

# **Linden Homes South East Limited**

## **Independent auditors' report to the members of Linden Homes South East Limited**

We have audited the financial statements of Linden Homes South East Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers*  
**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

West London

26 November 2008

## Linden Homes South East Limited

### Profit and loss account for the year ended 30 June 2008

		Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Turnover	2	-	36,207
Cost of sales		-	(30,246)
Gross profit		-	5,961
Administrative expenses		-	(2,025)
Operating profit	5	-	3,936
Interest receivable and similar income	6	-	25
Interest payable and similar charges	7	-	(1,742)
Profit on ordinary activities before taxation		-	2,219
Tax charge on the profit on ordinary activities	8	-	(659)
Profit for the financial year/period	12	-	1,560

All amounts relate to discontinued operations.

There are no recognised gains and losses other than those shown in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the results for financial years shown in the profit and loss account above and their historical cost equivalents.



# Linden Homes South East Limited

## Balance sheet as at 30 June 2008

	<i>Note</i>	2008 £'000	2007 £'000
<b>Current assets</b>			
Debtors	10	14,823	16,411
<b>Net current assets</b>		14,823	16,411
<b>Net assets</b>		14,823	16,411
<b>Capital and reserves</b>			
Share capital	11	10	10
Other reserve	12	123	123
Profit and loss account	12	14,690	16,278
<b>Total shareholders' funds</b>	13	14,823	16,411

The financial statements on pages 5 to 12 were approved by the Board on 26 November 2008 and signed on its behalf by:



D W Tilman  
Director

# **Linden Homes South East Limited**

## **Notes to the financial statements for the year ended 30 June 2008**

### **1 Principal accounting policies**

#### **Basis of accounting**

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom. The accounting policies have been consistently applied throughout the year and are set out below.

#### **Turnover**

Turnover comprises the value of legal completions of private house building, contracted development sales and the construction work executed during the year, and excludes value added tax.

Turnover on long term contracts is recognised based upon an internal assessment of the value of works carried out. This assessment is arrived at after due consideration of the performance against the programme of works, measurement of the works, detailed evaluation of the costs incurred and comparison to external certification of the work performed. The amount of profit to be recognised is calculated based on the proportion that costs to date bear to the total estimated costs to complete. The results for the year include adjustments for the outcome of contracts executed in both the current and preceding years. These adjustments arise from claims by customers or third parties and variations on customers or third parties for variations on the original contract. Provisions for claims against the company is made as soon as it is believed that a liability will arise, but claims and variations made by the company are not recognised in the profit and loss account until the outcome is reasonably certain. Where it is foreseen that a loss will arise on a contract, full provision for this loss is made.

Amounts recoverable on contracts are stated at cost plus attributable profit less any foreseeable losses and payments on account and are included in debtors.

#### **Cash flow**

The company is a wholly owned subsidiary company of a group headed by Galliford Try plc, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

#### **Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

# Linden Homes South East Limited

## Notes to the financial statements for the year ended 30 June 2008

### 1 Principal accounting policies (continued)

#### Pensions

The company participated in a group operated defined benefit pension scheme for the benefit of the majority of its employees, the assets of which are held separately from those of the company in independently administered funds.

This scheme was closed to new members in 2001 and was closed to future service accruals with effect from 31 March 2007. All employees are now entitled to join the Galliford Try Pension Scheme, a defined contribution scheme established as a stakeholder plan, with a company contribution on a scale dependent upon the employee's age and the amount they choose to contribute. The cost of providing for pensions is charged to the profit and loss account on an accruals basis.

As the company is unable to identify its share of the assets and liabilities of the group scheme, it accounts for contributions as if they were to a defined contribution pension scheme.

Contributions to the group's defined contribution scheme are determined as a percentage of employee's earnings and are charged to the profit and loss account on an accruals basis.

### 2 Turnover

The turnover is attributable to the principal activities undertaken by the company solely within the United Kingdom.

### 3 Employees

The average monthly number of employees, including directors, during the period, split by activity was as follows:

	Year ended 30 June 2008 No.	Six month period ended 30 June 2007 No.
Administration and management	-	42
Construction	-	43
Sales and marketing	-	13
	-	98

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Staff costs:		
Wages and salaries	-	3,856
Social security costs	-	454
Other pension costs	-	91
	-	4,401

# Linden Homes South East Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 4 Directors' emoluments

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Aggregate emoluments (including benefits in kind)	-	665
Company contribution to money purchase schemes	-	26
	-	691

### Highest paid director

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Aggregate emoluments:	-	289
Defined benefit scheme:		
Company contribution to money purchase schemes	-	9

No director received any emoluments for their services as a director of the company during the year. The emoluments of DW Tilman are paid by Linden Limited which make no recharge to the company. He is a director of a number of group subsidiaries and it is not possible to make an accurate apportionment in respect of his emoluments between the companies. His emoluments are disclosed in the financial statements of Linden Limited which are publicly available.

The emoluments of all the other directors are paid by Linden Limited but they receive no emoluments for their services as a director of this company.

### 5 Operating profit

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
Owned assets	-	245
Operating leases:		
Plant and machinery	-	35
Auditors' remuneration :		
Audit services	-	40

The audit fee for the year ended 30 June 2008 of £1,000 has been borne by Galliford Try Services Limited a fellow subsidiary company.

# Linden Homes South East Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 6 Interest receivable and similar income

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Group interest received on intercompany balance	-	25

### 7 Interest payable and similar charges

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Group interest payable on intercompany balance	-	1,742

### 8 Tax charge on profit on ordinary activities

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the year	-	669
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	(10)
<b>Tax charge on profit on ordinary activities</b>	<b>-</b>	<b>659</b>
The tax assessed for the period is the same as (2007: higher) the standard rate of corporation tax in the UK of 28% (2007: 30%). The differences are explained below:		
<b>Profit on ordinary activities before tax</b>	<b>-</b>	<b>2,219</b>
Profit on ordinary activities multiplied by standard rate of tax in the UK	-	666
Effects of:		
Accelerated capital allowances and other timing differences	-	10
Previously unrecognised deferred tax	-	(8)
Share based payments	-	(71)
Expenses not deductible for tax purposes	-	72
<b>Current tax charge for the year</b>	<b>-</b>	<b>669</b>

There is no unprovided deferred taxation.

# Linden Homes South East Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 9 Dividends

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Dividend paid of £158,800 per £1 share (2007: £510,000)	1,588	5,100

### 10 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	14,823	16,411

Amounts owed by group undertakings are unsecured, have no repayment date and no longer accrue interest.

### 11 Share capital

	2008 £'000	2007 £'000
Authorised		
10,000 ordinary shares of £1 each	10	10
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10

### 12 Profit and loss account

	Other reserve £'000	Profit and loss account £'000	Total £'000
At 1 July 2007	123	16,278	16,401
Result for the financial year	-	-	-
Dividends	-	(1,588)	(1,588)
30 June 2008	123	14,690	14,813

### 13 Reconciliation of movement in shareholders' funds

	2008 £'000	2007 £'000
Result for the financial year	-	1,560
Dividends	(1,588)	(5,100)
Decrease in shareholders' funds	(1,588)	(3,540)
Opening shareholders' funds	16,411	19,951
Closing shareholders' funds	14,823	16,411

# **Linden Homes South East Limited**

## **Notes to the financial statements for the year ended 30 June 2008 (continued)**

### **14 Capital commitments**

The company had no commitments for capital expenditure at 30 June 2008 (2007: £Nil).

### **15 Contingent liabilities**

There were contingent liabilities under composite guarantees given by the parent company and the subsidiaries in respect of the HSBC, Barclays, Royal Bank of Scotland and Bank of Scotland bank facilities of group companies. At 30 June 2008 such facilities had been utilised to the extent of £155,559,000 (2007: £215,013,000). There were also contingent liabilities in respect of composite guarantees of other bank and performance bonds entered into by the Group in the normal course of business which, at 30 June 2008, were £117,707,000 (2007: £226,600,000).

### **16 Related party transactions**

The company has taken advantage of the exemption under Financial Reporting Standard No. 8 for disclosing any relevant transactions, as it qualifies as a "90% subsidiary undertaking". As such, there are no matters to be disclosed.

### **17 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Try Homes Limited, which is registered in England and Wales. The ultimate parent undertaking and controlling party is Galliford Try plc, which is registered in England and Wales. This is the only company that consolidates this company's financial statements. Copies of the consolidated group financial statements of Galliford Try plc are publicly available from Galliford Try plc, Cowley Business Park, High Street, Cowley, Uxbridge, UB8 2AL.