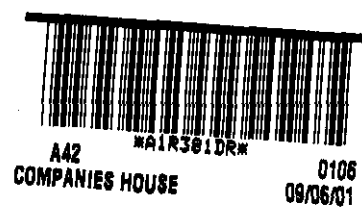


**LINDEN HOMES SOUTH-EAST LIMITED**

**Report and Financial Statements**

**31 DECEMBER 2000**



# **LINDEN HOMES SOUTH-EAST LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Auditors' report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>

# **LINDEN HOMES SOUTH-EAST LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2000**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P J Davies  
S Amato  
I Ball (appointed 1 January 2000)  
T Ballard (appointed 1 January 2000)  
N Brewin  
L Jovic  
C O'Sullivan

#### **SECRETARY**

S Amato

#### **REGISTERED OFFICE**

6 London Street  
Chertsey  
Surrey  
KT16 8AA

#### **BANKERS**

Bank of Scotland PLC  
38 St Andrew Square  
Edinburgh  
EH2 2YR

#### **SOLICITORS**

Pitmans	Gouldens
47 Castle Street	10 Old Bailey
Reading	London
Berkshire	EC4M 7NG
RG1 7SR	

Rawlinson & Butler  
Griffin House  
135 High Street  
Crawley  
West Sussex  
RH10 1DQ

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Columbia Centre  
Market Street  
Bracknell  
Berkshire  
RG12 1PA

# LINDEN HOMES SOUTH-EAST LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

## PRINCIPAL ACTIVITIES

The company's principal activities are the building and selling of residential homes.

## BUSINESS REVIEW

In 2000 the company sold 301 houses (1999:214).

## FUTURE PROSPECTS

The company continues to focus on brown-land sites such as Caterham Barracks and obsolete waterworks etc. This demonstrates that the company is well placed to take advantage of the long term trends for housing and in part, less susceptible to delays in obtaining planning permission.

## RESULTS AND DIVIDENDS

The results of the company are set out on page 6. The company made a profit on ordinary activities after taxation of £3,584,000 (1999 -£1,706,000).

An interim dividend of £273,000 (1999:£254,000) was paid. The directors do not propose a final dividend (1999: £487,000).

## PARENT COMPANY

On 25 October 2000, the ultimate parent company, Linden Limited (formerly Linden PLC), was acquired by Linden Holdings PLC (formerly Nednil PLC).

## DIRECTORS AND THEIR INTERESTS

The directors listed on page 1 held office throughout the year, except where noted.

No director had any interest in the shares of the company at any time during the year.

The beneficial interests in the ordinary shares of the ultimate parent company, Linden Holdings PLC, were as follows:

	31 December 2000	31 December 1999
	Number	Number
L Jovic	100,001	142,300
S Amato	-	-
I Ball	-	-
T Ballard	-	-
N Brewin	-	-
C O'Sullivan	-	-

The comparative figures for 1999 relate to the ultimate parent company at that date being Linden PLC.

# LINDEN HOMES SOUTH-EAST LIMITED

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS (CONTINUED)

In addition the details of share options held by the directors in the previous ultimate parent company were as follows:

	1 January 2000	Exercised/ lapsed during year	31 December 2000
	Number	Number	Number
S Amato	7,500	7,500	-
S Amato	2,500	2,500	-
I Ball	2,500	2,500	-
T Ballard	5,000	5,000	-
T Ballard	2,500	2,500	-
N Brewin	10,000	10,000	-
L Jovic	20,000	20,000	-
C O'Sullivan	5,000	5,000	-

All share options were bought out on the acquisition of Linden Limited by the ultimate parent company, Linden Holdings PLC.

The interests of P J Davies in the ultimate parent company, Linden Holdings PLC, are disclosed in the accounts for Linden Limited.

### DONATIONS

During the year, the company made charitable donations of £4,706 (1999 £2,951).

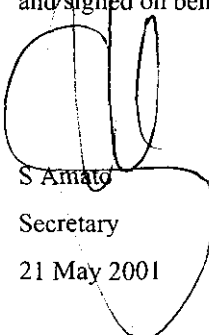
### POLICY ON PAYMENT OF CREDITORS

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. At 31 December 2000 the number of days credit taken for purchases by the company was 40 days (1999: 49).

### AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



S Amato  
Secretary  
21 May 2001

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 accounting standards have been followed;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **AUDITORS' REPORT TO THE MEMBERS OF LINDEN HOMES SOUTH-EAST LIMITED**

We have audited the financial statements on pages 6 to 13 which have been prepared under the accounting policies set out on page 8.

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

As described on page 4 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

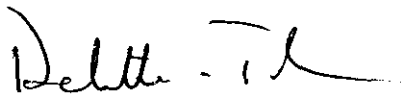
### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 of the state of the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE

Chartered Accountants  
and Registered Auditors

21 May 2001

Bracknell

# LINDEN HOMES SOUTH-EAST LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
<b>TURNOVER</b>	2	60,045	35,943
Cost of sales		(49,965)	(29,420)
<b>GROSS PROFIT</b>		10,080	6,523
Administrative expenses		(3,544)	(2,742)
Other operating income		6	-
<b>OPERATING PROFIT</b>	3	6,542	3,781
Interest receivable and similar income		11	9
Interest payable and similar charges	4	(1,426)	(1,331)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		5,127	2,459
Tax on profit on ordinary activities	6	(1,543)	(753)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		3,584	1,706
Equity dividends paid and proposed	7	(273)	(741)
<b>PROFIT RETAINED AND TRANSFERRED TO RESERVES</b>	13	3,311	965

All amounts derive from continuing operations.

There are no recognised gains or losses for the current and prior years other than as stated above.



# LINDEN HOMES SOUTH-EAST LIMITED

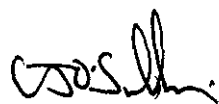
## BALANCE SHEET 31 December 2000

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	48	114
<b>CURRENT ASSETS</b>			
Stocks	9	36,456	34,460
Debtors	10	1,071	1,759
Cash at bank and in hand		77	3
		37,604	36,222
<b>CREDITORS: amounts falling due Within one year</b>	11	(28,725)	(30,720)
<b>NET CURRENT ASSETS</b>		8,879	5,502
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,927	5,616
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	10	10
Profit and loss account	13	8,917	5,606
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14	8,927	5,616

These financial statements were approved by the Board of Directors on 21 May 2001.

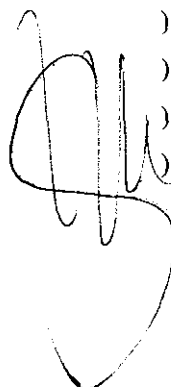
Signed on behalf of the Board of Directors

C O'Sullivan



) Directors

S Amato



# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Turnover

Turnover relates to the sale of houses (recognised on the financial completion of the sale of a house) and of land (recognised on the unconditional exchange of contracts).

#### Tangible fixed assets

Depreciation is provided in equal instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The following rates are used:

Office equipment, fixtures and fittings	33%
Plant and machinery	33%
Motor vehicles	20 - 25%

#### Stocks

Stocks of land, materials and work in progress are valued at the lower of invoiced cost and net realisable value. Work in progress comprises direct site costs including materials and labour.

#### Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

#### Leases

Operating lease rentals are charged to the profit and loss account as incurred.

#### Pension costs

The company participates in a Group Personal Pension Plan. The pension cost charge represents contributions payable by the company to the Plan for the year.

### 2. TURNOVER

A segmental analysis of turnover between housing developments and land sales is set out below.

All turnover arose within the UK.

	2000 £'000	1999 £'000
Housing Developments	60,045	35,321
Land Sales	-	622
	<u>60,045</u>	<u>35,943</u>

# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 3. OPERATING PROFIT

	2000 £'000	1999 £'000
<b>Operating profit is after charging/ (crediting)</b>		
Depreciation of tangible fixed assets	84	65
Rentals under operating leases-other assets	143	150
Auditors' remuneration		
- Audit fees	35	23
- Other services	8	19
Rent receivable	(6)	-
	<u>          </u>	<u>          </u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Group interest paid on intercompany balance	1,406	1,291
Bank loans, overdrafts and other loans	20	40
	<u>          </u>	<u>          </u>
	1,426	1,331
	<u>          </u>	<u>          </u>

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £'000	1999 £'000
<b>Directors' remuneration</b>		
Directors' emoluments (including benefits in kind)	419	476
Company contributions to money purchase schemes	19	19
	<u>          </u>	<u>          </u>
	438	495
	<u>          </u>	<u>          </u>
Emoluments of highest paid director	116	70
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
Directors included in money purchase scheme	5	4
	<u>          </u>	<u>          </u>
	<b>Number</b>	<b>Number</b>
<b>Average number of persons employed (including directors)</b>		
Administration and management	33	33
Construction	41	34
Sales and marketing	14	15
	<u>          </u>	<u>          </u>
	88	82
	<u>          </u>	<u>          </u>

# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	2000 £'000	1999 £'000
<b>Employees costs during the year (including directors)</b>		
Wages and salaries	3,098	2,622
Social security costs	304	255
Other pension costs	83	66
	<u>3,485</u>	<u>2,943</u>

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
United Kingdom corporation tax at 30%	1,033	763
Group Relief	529	-
Adjustment to prior years' provisions	(4)	(10)
	<u>1,558</u>	<u>753</u>

There is no unprovided deferred tax (1999-nil).

### 7. DIVIDENDS

	2000 £'000	1999 £'000
Interim paid - £27.30 per ordinary share (1999:£25.40)	273	254
Final proposed - £nil per ordinary share (1999:£48.70)	-	487
	<u>273</u>	<u>741</u>

# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 8. TANGIBLE FIXED ASSETS

	Office equipment, fixtures and fittings 2000 £'000	Plant and machinery 2000 £'000	Motor vehicles 2000 £'000	Total 2000 £'000
Cost at 1 January 2000	157	77	8	242
Additions	2	-	16	18
Disposals	(88)	(77)	-	(165)
Cost at 31 December 2000	71	-	24	95
Depreciation at 1 January 2000	67	58	3	128
Charge for the year	60	19	5	84
Disposals	(88)	(77)	-	(165)
Depreciation at 31 December 2000	39	-	8	47
Net Book Value at 31 December 2000	32	-	16	48
Net Book Value at 31 December 1999	90	19	5	114

### 9. STOCKS

	2000 £'000	1999 £'000
Land	26,358	23,623
Work in progress	8,818	10,431
Part exchange properties	1,280	406
	36,456	34,460

The replacement cost of land and work in progress is not materially different to the original cost.

### 10. DEBTORS

	2000 £'000	1999 £'000
Amounts owed by group companies	7	89
Other debtors	1,064	1,670
	1,071	1,759

All debtors are due within one year.

# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £'000	1999 £'000
Bank overdraft	-	803
Trade creditors	7,442	3,990
Amounts owed to parent company	7,857	17,268
Amounts owed to fellow subsidiary undertakings	583	157
Current corporation tax	295	457
Group Relief	528	-
Other creditors	436	699
Accruals and deferred income	11,584	7,346
	<u>28,725</u>	<u>30,720</u>

#### Other Creditors Include:

	2000 £'000	1999 £'000
Taxation and social security	<u>111</u>	<u>140</u>

The bank overdraft is secured by a floating charge over the assets of the company and a first legal charge over the land owned by the company.

### 12. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
<b>Authorised</b>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>
<b>Called up, allotted and fully paid</b>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

### 13. STATEMENT OF MOVEMENT ON RESERVES

	Profit and Loss Account £'000
At 1 January 2000	5,606
Profit for year	3,584
Equity dividends paid	<u>(273)</u>
At 31 December 2000	<u>8,917</u>

# LINDEN HOMES SOUTH-EAST LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

### 14. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2000 £'000	1999 £'000
Opening shareholders' funds	5,616	4,651
Profit for the year	3,584	1,706
Equity dividends paid and proposed	(273)	(741)
Closing shareholders' funds	<u>8,917</u>	<u>5,616</u>

### 15. OPERATING LEASES COMMITMENTS

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	2000 £'000	1999 £'000
<b>OTHER</b>		
Leases which expire		
Within one year	103	149
Within two to five years	83	107
	<u>186</u>	<u>256</u>

### 16. RELATED PARTY TRANSACTIONS

Uberior Investments PLC is a related party by virtue of its 29.9% shareholding in Linden Holdings PLC. Uberior Investments PLC is owned by the Bank of Scotland PLC, the Company's bankers. All transactions and balances are disclosed in the financial statements above.

### 17. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party is Linden holdings PLC (formerly NEDNIL PLC), a company incorporated in Great Britain. The immediate parent company and controlling party is Linden Limited (formerly Linden PLC) which prepares Group accounts. Copies of the Group financial statements of Linden Limited are available from 6 London Street, Chertsey, Surrey, KT16 8AA.