

LINDEN HOMES CHILTERN LIMITED

Registered Number 3193571

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2001



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LINDEN HOMES CHILTERN LIMITED
REPORT AND FINANCIAL STATEMENTS 2001

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LINDEN HOMES CHILTERN LIMITED

REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Davies
L Jovic
C Coates
H Todd
I Ralston
P Golding
G Taylor (appointed 11 July 2001)
P Parkhouse (appointed 11 July 2001)

SECRETARY

P Golding

REGISTERED OFFICE

6 London Street
Chertsey
Surrey
KT16 8AA

BANKERS

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

AUDITORS

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

SOLICITORS

Pitmans
47 Castle Street
Reading
Berkshire
RG1 7SR

LINDEN HOMES CHILTERN LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

In 2001 the company sold 116 houses (2000: 80).

FUTURE PROSPECTS

The company has established itself in the market place and has acquired land at Reading, St Albans, Barnet and Yarnnton in addition to new sites being identified. The directors ensure that the company is well situated to benefit from the market in the Chiltern area.

RESULTS AND DIVIDENDS

The results for the year set out in the profit and loss account on page 6.

The company made a profit on ordinary activities after taxation of £2,212,208 (2000: £2,221,000).

A dividend of £687,000 has been paid (2000: £198,000).

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 (formerly Nednil PLC), were as follows:

	31 December 2001	31 December 2000
	Number	Number
C Coates	100,001	100,001
P Golding	20,000	-
H Todd	20,000	-
I Ralston	20,000	-
P Parkhouse	20,000	-
G Taylor	20,000	-

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

LINDEN HOMES CHILTERN LIMITED

DIRECTORS' REPORT

DONATIONS

During the year, the company made charitable donations of £335 (2000: £1,512).

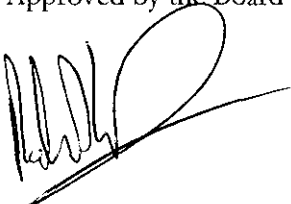
POLICY ON PAYMENT OF CREDITORS

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 2001 the number of days credit taken for purchases by the company was 33 days (2000: 40 days).

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

A handwritten signature in black ink, appearing to be 'P Golding', with a large loop at the end.

P Golding
Secretary

4 July 2002

LINDEN HOMES CHILTERN LIMITED

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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; 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 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 the system of internal control for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINDEN HOMES CHILTERN LIMITED

We have audited the financial statements of Linden Homes Chiltern Limited for the year ended 31 December 2001 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

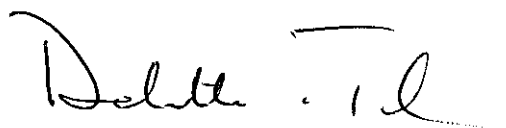
Basis of audit opinion

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 as at 31 December 2001 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985



Chartered Accountants and Registered Auditors
Columbia Centre
Market Street
Bracknell
Berkshire
RG12 1PA
4 July 2002

LINDEN HOMES CHILTERN LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2001

	<u>Notes</u>	2001 £000's	2000 £000's
TURNOVER	2	29,888	19,178
Cost of sales		(23,804)	(13,656)
GROSS PROFIT		6,084	5,522
Administrative expenses		(2,126)	(1,865)
OPERATING PROFIT	3	3,958	3,657
Other interest receivable and similar income		2	4
Interest payable and similar charges	4	(790)	(463)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,170	3,198
Tax on profit on ordinary activities	6	(958)	(977)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,212	2,221
Equity dividends paid and proposed	7	(687)	(198)
PROFIT RETAINED AND TRANSFERRED TO RESERVES	13	1,525	2,023

There are no recognised gains and losses for the current and prior years other than those stated above and therefore no statement of total recognised gains and losses is required.

All amounts derive from continuing operations.

LINDEN HOMES CHILTERN LIMITED

BALANCE SHEET

as at 31 December 2001

	<u>Notes</u>	2001 £000's	2000 £000's
FIXED ASSETS			
Tangible assets	8	739	758
CURRENT ASSETS			
Stocks	9	17,389	23,270
Debtors	10	320	117
Cash at bank and in hand		126	-
		17,835	23,387
CREDITORS: amounts falling due within one year	11	(13,988)	(21,084)
NET CURRENT ASSETS		3,847	2,303
TOTAL ASSETS LESS CURRENT LIABILITIES		4,586	3,061
CAPITAL AND RESERVES			
Called up share capital	12	10	10
Profit and loss account	13	4,576	3,051
TOTAL EQUITY SHAREHOLDERS' FUNDS	14	4,586	3,061

The financial statements were approved by the Board of Directors on 4 July 2002.

Signed on behalf of the Board of Directors

C Coates
Director



LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

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 the 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. Depreciation is not provided on freehold land.

The following rates are used:

Office equipment, fixtures and fittings	20-25%
Freehold buildings	2%

Stocks

Stocks of land 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.

Part exchange properties are included at the lower of cost and net realisable value.

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.

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

2. Turnover

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

All turnover arose within the UK.

	2001 £000's	2000 £000's
Housing developments	25,538	18,828
Land sales	4,350	350
	<hr/> 29,888	<hr/> 19,178
	<hr/> <hr/>	<hr/> <hr/>

3. OPERATING PROFIT

Operating profit is after charging / (crediting) -

	2001 £000's	2000 £000's
Depreciation		
- owned assets	22	12
Auditors' remuneration		
- audit fees	12	10
Rentals under operating leases		
- hire of other assets	69	63
Profit on sale of land	(1,297)	(300)
	<hr/> <hr/>	<hr/> <hr/>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £000's	2000 £000's
Group interest paid on intercompany balance	753	451
Interest on bank loans, overdrafts and other loans	37	12
	<hr/> 790	<hr/> 463
	<hr/> <hr/>	<hr/> <hr/>

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001 £000's	2000 £000's
Directors' remuneration		
Directors' emoluments (including benefits in kind)	503	166
Company contributions to money purchase schemes	13	9
	<hr/> 516	<hr/> 175
	<hr/> <hr/>	<hr/> <hr/>
Emoluments of highest paid director	191	166
Company contributions to money purchase schemes of highest paid director	11	9
	<hr/> 202	<hr/> 175
	<hr/> <hr/>	<hr/> <hr/>
	Number	Number
Number of directors included in a money purchase scheme	1	1
	<hr/> <hr/>	<hr/> <hr/>
	2001 Number	2000 Number
Average number of persons employed (including Directors)		
Administration and management	24	19
Construction	13	9
Sales and marketing	4	4
	<hr/> 41	<hr/> 32
	<hr/> <hr/>	<hr/> <hr/>
	2001 £000's	2000 £000's
Employee costs during the year (including Directors)		
Wages and salaries	1,519	1,066
Social security costs	160	111
Other pension costs	22	17
	<hr/> 1,701	<hr/> 1,194
	<hr/> <hr/>	<hr/> <hr/>

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

6. TAX ON PROFIT ON ORDINARY ACTIVITIES	2001 £000's	2000 £000's
United Kingdom corporation tax at 30 %	965	967
Deferred taxation	13	-
Adjustment to prior year	(20)	10
	<hr/>	<hr/>
	958	977
	<hr/>	<hr/>

There is no unprovided deferred tax liability (2000: nil)

7. DIVIDENDS	2001 £000's	2000 £000's
Interim paid – (2000 – £19.80)	-	198
Final proposed –£68.70 per ordinary share (2000 – £nil)	687	-
	<hr/>	<hr/>
Dividends on ordinary equity shares	687	198
	<hr/>	<hr/>

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

8. TANGIBLE FIXED ASSETS	Office equipment, fixtures & Fittings £'000	Freehold land and buildings £'000	Total £'000
Cost			
At 1st January 2000	15	750	765
Additions	3	-	3
At 31st December 2001	18	750	768
Depreciation			
At 1st January 2000	5	2	7
Charge for the year	6	16	22
At 31st December 2001	11	18	29
Net Book Value			
At 31st December 2001	7	732	739
At 31st December 2000	10	748	758
9. STOCKS	2001 £'000	2000 £'000	
Land and land options	11,396	21,238	
Work-in-progress	5,368	2,032	
Part exchange properties	625	-	
	17,389	23,270	
10. DEBTORS	2001 £'000	2000 £'000	
Other debtors	316	117	
Prepayments and accrued income	4	-	
	320	117	
All amounts are due within one year			

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

11. CREDITORS: amounts falling due within one year

	2001 £'000	2000 £'000
Bank loans and overdrafts	-	80
Trade creditors	2,674	1,815
Land creditors	4,852	9,443
Amounts owed to parent undertaking	4,820	8,856
Current corporation tax	341	646
Other creditors	363	43
Accruals and deferred income	251	201
Proposed dividend	687	-
	<hr/> 13,988	<hr/> 21,084

Other creditors include:

	2001 £'000	2000 £'000
Taxation and social security	52	36

12. CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised		
10,000 ordinary shares of £1 each	10	10
Called up, allotted and fully paid		
10,000 ordinary shares of £1 each	<hr/> 10	<hr/> 10

13. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £'000
At 1 January 2001	3,051
Profit for the year	2,212
Equity dividends proposed	(687)
	<hr/>
At 31 December 2001	4,576

LINDEN HOMES CHILTERN LIMITED

Notes to the accounts for the year ended 31 December 2001

14. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Opening shareholders' funds	3,061	1,038
Profit for the year	2,212	2,221
Equity dividends paid and proposed	(687)	(198)
	<hr/>	<hr/>
Closing shareholders' funds	4,586	3,061
	<hr/>	<hr/>

15. OPERATING LEASE COMMITMENTS

At 31 December 2001 the company was committed to making the following payments during the next year in respect of operating leases:

	2001 Other £'000	2000 Other £'000
Leases which expire:		
Within one year	12	71
Within two to five years	92	70
	<hr/>	<hr/>
	104	141
	<hr/>	<hr/>

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 is Linden Limited, both companies prepare group accounts. Copies of the Group financial statements of Linden Holdings PLC and Linden Limited are available from 6 London Street, Chertsey, Surrey, KT16 8AA.