

**Report and Financial Statements**  
**Linc Epsom Limited**  
**Registered Number 05081020**

31 March 2012



# **Linc Epsom Limited**

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Registered No 05081020

## **Directors**

D J Camp

S C Camp

## **Secretary**

C N Pagan

## **Auditors**

Grant Thornton UK LLP

Grant Thornton House

Melton Street

London

NW1 2EP

## **Bankers**

The Royal Bank of Scotland plc

24 Grosvenor Place

London

SW1X 7HP

## **Solicitors**

Taylor Wessing LLP

5 New Street Square

London

EC4A 3TW

## **Registered office**

Norfolk House

31 St James's Square

London

SW1Y 4JJ

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## Directors' report

The directors present their report and financial statements for the year ended 31 March 2012

### Results and dividends

The loss for the year amounted to £132,379 (2011 - £119,770) The directors do not recommend the payment of any dividends

### Principal activities and review of the business

The company's principal activity during the year was the development for subsequent resale of real estate

The company owns the freehold of a 3.5 acre site on Lintons Lane in Epsom, Surrey. The site was formerly a school and comprises of a 2 storey building with tennis courts and playing fields. The property is subject to a long lease to Surrey County Council and has planning consent to convert the existing vacant 2 storey building to a 120 bed student housing scheme. The company is progressing a joint sale agreement with Surrey County Council.

### Financial risk management

The value of the company's stock is subject to the development and market risks of the Lintons Lane, Epsom site. Specifically, securing residential planning consent and agreeing the way forward with the Local Authority are key issues.

The company uses various financial instruments which include cash, trade debtors, trade creditors, and loan from its parent undertaking. The main purpose of these financial instruments is to finance the company's operations. The existence of these financial instruments exposes the company to credit risk.

The directors review and agree policies for managing this risk and it is summarised below.

### Credit risk

The company's principal financial assets are cash and trade debtors. The principal credit risk arises from trade debtors and management regularly review ageing of debts.

### Directors

The directors who served the company during the year were as follows:

D J Camp  
S C Camp

None of the directors had any interests in the shares of the company.

## Directors' report

### Directors' responsibilities

The directors are responsible for preparing the Directors' 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 laws). 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 and 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 judgments 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 statement 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

On behalf of the board



D J Camp  
Director

26 June 2012

## **Independent auditor's report to the members of Linc Epsom Limited**

We have audited the financial statements of Linc Epsom Limited for the year ended 31 March 2012 which comprise the profit and loss account, 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).

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 Directors' Responsibilities included in the Directors' Report set out on page 4, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 31 March 2012 and of its loss 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 matter 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 Linc Epsom Limited

### 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



**Mark Cardiff**

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP,  
Statutory Auditor, Chartered Accountants  
London

Date: 26 June 2012

## Profit and loss account

for the year ended 31 March 2012

	Notes	2012 £	2011 £
<b>Turnover</b>		-	-
Cost of sales		(64,552)	(49,651)
<b>Gross loss</b>		(64,552)	(49,651)
Administrative expenses		(68,377)	(70,143)
<b>Operating loss</b>	2	(132,929)	(119,794)
Interest receivable	5	550	24
<b>Loss on ordinary activities before taxation</b>		(132,379)	(119,770)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the year</b>		(132,379)	(119,770)

There are no recognised gains or losses attributable to the shareholders arising in the year, other than as stated above

All the company's results are derived from continuing activities



## Balance sheet

at 31 March 2012

	Notes	2012 £	2011 £
<b>Current assets</b>			
Stock	7	1,750,000	1,750,000
Debtors	8	5,202	7,309
Cash		91,542	16,645
		<u>1,846,744</u>	<u>1,773,954</u>
<b>Creditors. amounts falling due within one year</b>	9	(71,483)	(32,494)
<b>Net current assets</b>		<u>1,775,261</u>	<u>1,741,460</u>
<b>Total assets less current liabilities</b>		1,775,261	1,741,460
<b>Creditors: amounts falling due after more than one year</b>	10	(3,664,533)	(3,498,353)
<b>Net liabilities</b>		<u>(1,889,272)</u>	<u>(1,756,893)</u>
<b>Capital and reserves</b>			
Called up share capital	11	16	16
Profit and loss account	12	(1,889,288)	(1,756,909)
<b>Equity shareholder's deficit</b>	12	<u>(1,889,272)</u>	<u>(1,756,893)</u>

These financial statements were approved by the board of directors on 14 June 2012 and were signed on its behalf by

D J Camp  
Director

26 June 2012

## Notes to the financial statements

at 31 March 2012

### 1 Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies are set out below.

#### **Going concern**

The financial statements are prepared on a going concern basis, notwithstanding the company's net liabilities, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by the company's immediate parent undertaking. Stanhope plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements they will continue to make available such funds as are needed by the company, and in particular will not seek repayment of amounts currently made available.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

#### **Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost.

#### **Statement of cash flows**

The directors have taken advantage of the exemption available within FRS 1 (revised) and have not produced a statement of cash flows, on the basis that the consolidated financial statements of its ultimate parent company, in which its cash flows are incorporated, are publicly available.

#### **Stock**

Trading and development properties are included in stock as work in progress and are stated at the lower of cost or net realisable value. Disposals are recognised on completion, with profit and losses arising being recognised through the profit and loss account. If properties held for trading are appropriated to investment, they are transferred at book value.

## Notes to the financial statements

at 31 March 2012

### 1. Accounting policies (continued)

#### Deferred taxation

Deferred tax is provided in full in respect of all timing differences that have originated but not reversed at the balance sheet date where an event has occurred that will result in an obligation to pay more or less tax in the future, except for

- Provision is made for gains on disposals or revaluation of assets that have been rolled over into replacement assets only where there is a commitment to dispose of the replacement assets, and
- Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date

### 2. Operating result

This is stated after charging

	2012 £	2011 £
Auditors' remuneration		
Fees payable for the audit of the company's annual accounts	4,000	4,000
Fees payable for tax compliance services	2,250	2,100
	<u>6,250</u>	<u>6,100</u>

### 3. Staff costs

No staff are employed by the company. Staff who perform administration work for the company are employed and remunerated by Stanhope plc

### 4. Directors' emoluments

The directors of the company did not receive any emoluments in respect of their services to the company

### 5. Interest receivable

	2012 £	2011 £
Bank interest receivable	550	24
	<u>550</u>	<u>24</u>

## Notes to the financial statements

at 31 March 2012

### 6 Taxation on loss on ordinary activities

#### (a) Tax on loss on ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax at 26% (2011 - 28%) on losses of the year	-	-

#### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 – 28%) The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before taxation	(132,379)	(119,700)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	(34,419)	(33,516)
Increase in losses	-	-
Group relief surrendered	34,419	33,516
Total current tax (note 6(a))	-	-

No deferred tax asset has been recognised due to uncertainty on timing of a sale of the assets (2011 - £nil)

### 7. Stock

	2012 £	2011 £
Work in progress	1,750,000	1,750,000

## Notes to the financial statements

at 31 March 2012

### 8. Debtors

	2012 £	2011 £
Trade debtors	1,041	1,985
Prepayments and accrued income	4,161	3,931
Other debtors	-	1,393
	<u>5,202</u>	<u>7,309</u>

### 9. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	9,316
Accruals	71,360	23,153
Other creditors	123	25
	<u>71,483</u>	<u>32,494</u>

### 10. Creditors: amounts falling due after one year

	2012 £	2011 £
Amounts owed to parent undertaking	3,664,533	3,498,353
	<u>3,664,533</u>	<u>3,498,353</u>

### 11. Share capital

	<i>Authorised</i>	
	2012 £	2011 £
250 Ordinary 'A' shares of £1 each	250	250
250 Ordinary 'B' shares of £1 each	250	250
250 Ordinary 'C' shares of £1 each	250	250
250 Ordinary 'D' shares of £1 each	250	250
	<u>1,000</u>	<u>1,000</u>

## Notes to the financial statements

at 31 March 2012

### 11. Share capital (continued)

	<i>Authorised, allotted called up and fully paid</i>	
	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
10 ordinary 'A' shares of £1 each	10	10
2 ordinary 'B' shares of £1 each	2	2
2 ordinary 'C' shares of £1 each	2	2
2 ordinary 'D' shares of £1 each	2	2
	<u>16</u>	<u>16</u>

The Ordinary 'A', 'B', 'C' and 'D' shares rank pari passu

### 12. Movement in shareholder's deficit and reconciliation of reserves

	<i>Profit and loss account £'000</i>	<i>Share capital £'000</i>	<i>Total share- holders' deficit £'000</i>
At 1 April 2010	(1,637,139)	16	(1,637,123)
Loss for the year	(119,770)	-	(119,770)
	<u>(1,756,909)</u>	<u>16</u>	<u>(1,756,893)</u>
At 1 April 2011	(1,756,909)	16	(1,756,893)
Loss for the year	(132,379)	-	(132,379)
At 31 March 2012	<u>(1,889,288)</u>	<u>16</u>	<u>(1,889,272)</u>

### 13. Capital commitments

The company has no capital commitments as at 31 March 2012 or 31 March 2011, other than normal maintenance and security of the site under the lease to Surrey County Council

### 14. Contingent liabilities

The company has no contingent liabilities as at 31 March 2012 or 31 March 2011

### 15. Related parties

The company has taken advantage of the exemption available under FRS 8 not to disclose related party transactions with its parent and fellow wholly owned subsidiary companies

## Notes to the financial statements

at 31 March 2012

### **16 Ultimate parent company**

The company's ultimate parent undertaking and controlling party is Stanhope Group Holdings Limited, a company incorporated in the United Kingdom. Copies of group financial statements, which include the company, can be obtained from Norfolk House, 31 St James's Square, London SW1Y 4JJ.