

**WATES LINDEN BR1 LIMITED**  
**(Formerly WATES HOMES (DOWNHAM) LIMITED)**  
**Registered Number 5217068**

**REPORT AND FINANCIAL STATEMENTS**  
**for the year ending 31 December 2009**

**Amended Filing**



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**WATES LINDEN BR1 LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2009**

	<b>Page</b>
Officers and professional advisors	1
Directors' report	2
Statement of directors' responsibilities	3
Independent Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

**WATES LINDEN BR1 LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2009**

**OFFICERS AND PROFESSIONAL ADVISORS**

**DIRECTORS**

D M Brocklebank  
P D Cooper  
J M Jarrett  
D W Tilman (resigned 31 December 2009)  
D H Davies  
D May (appointed 31 August 2009)

**SECRETARY**

P D Money (resigned 30 October 2009)  
A S White

**REGISTERED OFFICE**

Linden House  
Guards Avenue  
Caterham  
Surrey  
CR3 5XL

**BANKERS**

Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

**AUDITORS**

KPMG LLP  
8 Salisbury Square  
London  
EC4Y 8BB

**SOLICITORS**

Cripps Harries Hall LLP  
Wallside House  
12 Mount Ephraim Road  
Tunbridge Wells  
Kent  
TN1 1EG

**WATES LINDEN BR1 LIMITED**

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The Company's principal activities are the building and selling of residential houses. The Company was formed to develop land at the former council depot, Downham, Lewisham.

The development commenced in 2006 and is being carried out as a joint venture between Linden Homes South East Limited and Wates Group Properties Limited.

The development finished at the end of 2007, with the sale of the last private unit completing on 7th December 2007, and the sale of the freehold interest to the Compton Group on 20th December 2007. However, there are still some section 278 works to be completed before the Housing Association retention will be released which are expected to be finalised by the end of March 2010.

**RESULTS AND DIVIDENDS**

The result for the period is set out in the profit and loss account on page 5.

The Company made a profit on ordinary activities after taxation of £77,000 (2008: £147,000).

The Directors proposed and paid a dividend for the year ended 31 December 2009 of £nil (2008: £3,000,000).

**DIRECTORS AND THEIR INTERESTS**

The Directors listed on page 1 held office throughout the year, except as noted.

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

**AUDITORS**

KPMG LLP were appointed as auditors of the Company in the period, and the company has elected to dispense with the obligation to appoint auditors annually pursuant to section 386 of the Companies Act 2006. Therefore, KPMG LLP are deemed to continue as Auditors.

The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the Company's auditors are aware of that information.

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



**D May**  
Director

29th April 2010

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments 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, 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 and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATES LINDEN BR1 LIMITED

We have audited the financial statements of Wates Linden BR1 Limited for the year ended 31 December 2009 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement 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 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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### 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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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.

### 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.



S J Wardell (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
8 Salisbury Square  
London EC4Y 8BB

4 May 2010

**WATES LINDEN BR1 LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 31 December 2009**

	<u>Notes</u>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>TURNOVER</b>	<b>2</b>	-	-
Cost of sales		100	170
<b>GROSS PROFIT</b>		100	170
Administrative expenses		0	(1)
<b>OPERATING PROFIT</b>	<b>3</b>	100	169
Bank interest receivable		-	40
Interest payable and similar charges	<b>4</b>	-	(1)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		100	208
Tax on profit on ordinary activities	<b>5</b>	(23)	(61)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>11</b>	77	147

The historical profit is the same as the reported profit. A statement of movements in reserves is set out in note 11.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The Company has no recognised gains or losses other than the profit for the above financial year.

**CONTINUING OPERATIONS**

None of the Company's operations were acquired or discontinued during the above financial year.

**WATES LINDEN BR1 LIMITED**  
**Registered Number 5217068**  
**BALANCE SHEET**

as at 31 December 2009

	<u>Notes</u>	2009 £'000	2008 £'000
<b>CURRENT ASSETS</b>			
Debtors	7	675	685
Cash at bank and in hand		5	51
		<hr/>	<hr/>
		680	736
<b>CREDITORS amounts falling due within one year</b>	8	(165)	(298)
		<hr/>	<hr/>
<b>NET ASSETS</b>		515	438
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Profit and loss account	10	514	437
		<hr/>	<hr/>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	11	515	438
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 29th April 2010

Signed on behalf of the Board of Directors



**D May**  
Director



## **WATES LINDEN BR1 LIMITED**

### **Notes to the accounts for the year ended 31 December 2009**

#### **1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below. These policies have all been applied consistently throughout the period.

##### **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).

##### **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.

##### **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. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 a non-discounted basis.

##### **Cash Flow Statement**

The Company has not prepared a cash flow statement as it is entitled to the exemption available to small companies.

**WATES LINDEN BR1 LIMITED**

**Notes to the accounts for the year ended 31 December 2009**

**2 TURNOVER**

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

All turnover arose within the UK

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Housing developments	-	-
HA Sales	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**3 OPERATING PROFIT**

Operating profit stated is after charging -

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration		
- audit of these financial statements	1	1
	<hr/>	<hr/>

The directors received no remuneration in respect of their services to the Company in the current year or preceding year

The Company had no employees, other than directors, in the current year or preceding year

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank loans	-	1
Other interest	-	-
	<hr/>	<hr/>
	-	1
	<hr/>	<hr/>

**WATES LINDEN BR1 LIMITED**

**Notes to the accounts for the year ended 31 December 2009**

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom corporation tax at 28% (2008 28.5%)	28	59
Adjustment in respect of previous year	(5)	2
	<hr/>	<hr/>
Current tax charge for the year	23	61
	<hr/>	<hr/>

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	100	208
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard rate of 28% (2008 28.5%)	28	59
<i>Factors affecting charge for the year</i>		
Adjustment to tax charge in respect of prior year	(5)	2
	<hr/>	<hr/>
Current tax charge for the year	23	61
	<hr/>	<hr/>

**6. EQUITY DIVIDENDS PAID**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Dividend Paid to Wates Group Properties Ltd	-	1,500
Dividend Paid to Linden Homes South East	-	1,500
	<hr/>	<hr/>
	-	3,000
	<hr/>	<hr/>

**7 DEBTORS**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by shareholders	640	650
Other debtors	35	35
	<hr/>	<hr/>
	675	685
	<hr/>	<hr/>

**8 CREDITORS amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	120	220
Current corporation tax	28	59
Other creditors	17	19
	<hr/>	<hr/>
	165	298
	<hr/>	<hr/>

# **WATES LINDEN BR1 LIMITED**

**Notes to the accounts for the year ended 31 December 2009**

## **9. CALLED UP SHARE CAPITAL**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
500 A ordinary shares of £1 each	500	500
500 B ordinary shares of £1 each	500	500
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
<b>Called up, allotted and fully paid</b>		
500 A ordinary shares of £1 each	500	500
500 B ordinary shares of £1 each	500	500
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

## **10 STATEMENT OF MOVEMENT ON RESERVES**

	<b>Profit &amp; loss account £'000</b>
At 1 January 2009	437
Profit for the year	77
Equity dividends paid	-
	<hr/>
At 31 December 2009	514
	<hr/>

## **11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year	77	147
Equity dividends paid	-	(3,000)
Opening shareholders' funds/(deficit)	438	3,291
	<hr/>	<hr/>
Closing shareholders' funds	515	438
	<hr/>	<hr/>

## **12 PARENT COMPANY**

Wates Linden BR1 Limited is jointly owned by Linden Homes South East Limited and Wates Group Properties Limited with both companies sharing equal control

## **13 RELATED PARTY TRANSACTIONS**

There was no interest paid in the year on the loan stock (2008 £nil)