

WATES LINDEN BR1 LIMITED
Registered Number 5217068

REPORT AND FINANCIAL STATEMENTS

for the year ending 31 December 2010

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WATES LINDEN BR1 LIMITED
REPORT AND FINANCIAL STATEMENTS 2010

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WATES LINDEN BR1 LIMITED
REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

D M Brocklebank
P D Cooper
J M Jarrett
D H Davies
D May
C J Rogers (appointed 10 June 2010)

SECRETARY

A S White (appointed 29 April 2010)

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
15 Canada Square
London
E14 5GL

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 2010

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.

During the year ended 31 December 2010, until 2 December 2010 the company's principal activity was the completion of the development for which the company was established. However, on 2 December 2010, the directors took the decision to cease trading following a board meeting held on 2 December 2010. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 of the financial statements.

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 £23,000 (2009 profit £77,000).

The Directors proposed and paid a dividend for the year ended 31 December 2010 of £nil (2009 £nil).

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 period.

DISCLOSURE OF INFORMATION TO 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

15 June 2011

WATES LINDEN BR1 LIMITED

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. As explained in note 1 of the financial statements, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis following a board meeting held on 2 December 2010.

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.

INDEPENDENT AUDITOR'S 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 2010 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). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 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, 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.

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 2010 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
15 Canada Square
London E14 5GL
17 June 2011

WATES LINDEN BR1 LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2010

	<u>Notes</u>	2010 £'000	2009 £'000
TURNOVER	2	-	-
Cost of sales		-	100
		<hr/>	<hr/>
GROSS PROFIT		-	100
Administrative expenses		16	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	16	100
Tax on profit on ordinary activities	4	7	(23)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	9	23	77
		<hr/>	<hr/>

The historical profit is the same as the reported profit. A statement of movements in reserves is set out in note 9.

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 2010

	<u>Notes</u>	2010 £'000	2009 £'000
CURRENT ASSETS			
Debtors	5	658	675
Cash at bank and in hand		1	5
		<hr/>	<hr/>
		659	680
CREDITORS amounts falling due within one year	6	(121)	(165)
		<hr/>	<hr/>
NET ASSETS		538	515
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account	8	537	514
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS	9	538	515
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 15 June 2011

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 2010

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.

In previous years, the financial statements have been prepared on a going concern basis. However, on 2 December 2010 the directors took the decision to cease trading following a board meeting held on 2 December 2010. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

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).

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 2010 (continued)

2 TURNOVER

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

All turnover arose within the UK

	2010 £'000	2009 £'000
Housing developments	-	-
HA Sales	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

3 OPERATING PROFIT

Operating profit stated is after charging -

	2010 £'000	2009 £'000
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 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009 28%)	-	28
Adjustment in respect of previous year	(7)	(5)
	<hr/>	<hr/>
Current tax charge for the year	(7)	23
	<hr/>	<hr/>

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	16	100
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard rate of 28% (2009 28%)	4	28
<i>Factors affecting charge for the year</i>		
Permanent differences	(4)	
Adjustment to tax charge in respect of prior year	(7)	(5)
	<hr/>	<hr/>
Current tax charge for the year	(7)	23
	<hr/>	<hr/>

WATES LINDEN BR1 LIMITED

Notes to the accounts for the year ended 31 December 2010 (continued)

5 DEBTORS

	2010	2009
	£'000	£'000
Amounts owed by shareholders	623	640
Other debtors	35	35
	<hr/>	<hr/>
	658	675
	<hr/>	<hr/>

6 CREDITORS amounts falling due within one year

	2010	2009
	£'000	£'000
Trade creditors	120	120
Current corporation tax	-	28
Other creditors	1	17
	<hr/>	<hr/>
	121	165
	<hr/>	<hr/>

7 CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Authorised		
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/>
Called up, allotted and fully paid		
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/>

8 STATEMENT OF MOVEMENT ON RESERVES

	Profit & loss account £'000
At 1 January 2010	514
Profit for the year	23
	<hr/>
At 31 December 2010	537
	<hr/>

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£'000	£'000
Profit for the year	23	77
Opening shareholders' funds	515	438
	<hr/>	<hr/>
Closing shareholders' funds	538	515
	<hr/>	<hr/>

WATES LINDEN BR1 LIMITED

Notes to the accounts for the year ended 31 December 2010 (continued)

10 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

11 RELATED PARTY TRANSACTIONS

There was no interest paid in the year on the loan stock (2009 £nil)

At the end of the period £311,500 was owed by Linden Homes South East Limited (2009 £320,000) and £311,500 by Wates Group Properties Limited (2009 £320,000)