

**LINDEN WATES (RAVENCOURT PARK) LIMITED**

**Registered Number : 5428184**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 DECEMBER 2015**



**LINDEN WATES (RAVENSCOURT PARK) LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2015**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D M Brocklebank  
C Rogers  
P D Cooper - Resigned as a director of the company on 1st October 2015  
J M Jarrett - Resigned as a director of the company on 23rd October 2015  
D A Bowen - Appointed as a director of the company on 23rd October 2015  
D H Davies - Resigned as a director of the company on 12th January 2016  
D May - Resigned as a director of the company 2nd May 2016  
D Maddox - Appointed as a director of the company on 1st October 2015  
D O Allen - Appointed as a director of the company on 4th January 2016  
R Matthews - Appointed as a director of the company on 18th May 2016

**COMPANY SECRETARY**

Galliford Try Secretariat Services Ltd

**REGISTERED OFFICE**

Cowley Business Park  
Cowley  
Uxbridge  
Middlesex  
UB8 2AL

**BANKERS**

Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**SOLICITORS**

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

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**STRATEGIC REPORT**  
**for the year ended 31 December 2015**

The directors present their strategic report of Linden Wates (Ravenscourt Park) Limited ("the Company"), for the year ended 31 December 2015.

**Principal activities and review of the business**

The Company's principal activity is the building and selling of residential apartments and houses. The company was formed as a joint venture between Linden Limited and Wates Group Properties Limited. The Wates interest was transferred from Wates Group Properties Ltd to Wates Developments Ltd on 27th March 2011.

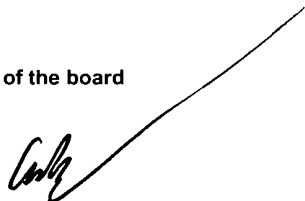
**Principal risks, uncertainties and key indicators**

The business and the execution of the company's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the company are considered to relate to the strength and volatility of the UK housing market. This includes changes to the UK housing market. This includes changes to the UK housing market and the economic cycle affecting consumer confidence and the availability of mortgage finance. The directors monitor Government and Industry data on housing prices, sales volumes and construction commencement data thus anticipation of market changes and facility to adjust build programmes, sales releases and purchaser incentives accordingly. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**General**

The Company's profit for the financial period ended 31 December 2015 was £5,013,000 (2014: Loss of £306,000), which will be added to reserves.

**On behalf of the board**



Colin Rogers  
Director

16th September 2016

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**DIRECTORS' REPORT**  
**for the year ended 31 December 2015**

The directors present their annual report and the audited financial statements of Linden Wates (Ravenscourt Park) Ltd ("the company"), registered number 5428184 for the year ended 31 December 2015.

**Future developments**

The current site under development at Goldhawk Rd, W16, has been fully completed within the year and there is currently only one plot remaining unsold. It is anticipated that this unit will be sold by December 2016.

Unless any further sites are acquired, the company will then cease to trade.

**Dividends**

The directors do not recommend the payment of a dividend (2014: £nil)

**Financial risk management**

The Company's operations expose it to a variety of financial risks including the effects of the credit risk, liquidity risk, cash flow risk and interest rate risk. The potential impact of these financial risks are monitored by directors during board meetings.

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the Company's liquidity position.

The rates of interest earned or paid on the cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

**Directors**

The present directors of the Company are set out on page 1, all of whom served throughout the period from incorporation and up to the date of signing the financial statements, (except as stated below).

D M Brocklebank  
C Rogers  
P D Cooper - Resigned as a director of the company on 1st October 2015  
J M Jarrett - Resigned as a director of the company on 23rd October 2015  
D A Bowen - Appointed as a director of the company on 23rd October 2015  
D H Davies - Resigned as a director of the company on 12th January 2016  
D May - Resigned as a director of the company 2nd May 2016  
D Maddox - Appointed as a director of the company on 1st October 2015  
D O Allen - Appointed as a director of the company on 4th January 2016

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent companies, (Linden Limited and Wates Developments Limited). The directors have received confirmation that Linden Limited and Wates Developments Limited intend to support the Company for at least one year after these financial statements are signed.

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**DIRECTORS' REPORT (Continued)**  
**for the year ended 31 December 2015**

**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to be prepare financial statements for each financial year. Under company law the directors have prepared the financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union 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 the 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.

**Disclosure of information to auditors**

Each of the directors at the date of the approval of this annual report confirms that:

- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware: and
- the director has taken all the steps that he/she ought to have been taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The report of the directors was approved by the board of directors on xx xxx 20xx and signed on it's behalf by:



Colin Rogers  
Director

16th September 2016

## **Independent auditors' report to the members of Linden Wates (Ravenscourt Park) Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Linden Wates (Ravenscourt Park) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Income Statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes In Equity for the year then ended;
- the Statement of Cashflow for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the members of Linden Wates (Ravenscourt Park) Limited (Continued)**

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **What an audit of financial statements involves**

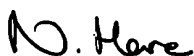
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nick Hare (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

16th September 2016

LINDEN WATES (RAVENCOURT PARK) LIMITED

INCOME STATEMENT

For the year ended 31 December 2015

	<u>Note</u>	2015 £'000	2014 £'000
Revenue	5	20,749	-
Cost of sales		(14,053)	-
Gross profit		6,696	-
Administrative expenses		(7)	(7)
<b>Operating profit / (loss)</b>		6,689	(7)
Finance costs	3	(403)	(383)
<b>Profit / (loss) on ordinary activities</b>		6,286	(390)
Tax expense	6	(1,273)	84
<b>Profit / (loss) for the financial year</b>	14	5,013	(306)

There is no material difference between the results shown in the income statement above and their historical cost equivalents for the financial year stated above.

All results are derived from continuing operations.



LINDEN WATES (RAVENCOURT PARK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 £'000	2014 £'000
Profit/(loss) for the year	<u>5,013</u>	<u>(306)</u>
Total comprehensive income/(expense) for the period	<u>5,013</u>	<u>(306)</u>

There is no other comprehensive income in the year. Total comprehensive income therefore equals the profit for the year.

LINDEN WATES (RAVENSCOURT PARK) LIMITED

BALANCE SHEET AT 31 DECEMBER 2015

	<u>Notes</u>	2015 £'000	2014 £'000
<b>CURRENT ASSETS</b>			
Developments	7	4,313	11,926
Trade and other receivables	8	1,015	125
Cash at bank and in hand	9	32	37
		<hr/>	<hr/>
		5,360	12,088
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	(793)	(890)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		4,567	11,198
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	11	-	(11,644)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/ LIABILITIES</b>		4,567	(446)
		<hr/>	<hr/>
<b>EQUITY</b>			
Ordinary shares	13	1	1
Retained earnings	14	4,566	(447)
		<hr/>	<hr/>
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		4,567	(446)
		<hr/>	<hr/>

The financial statements on pages 7 to 18 were approved and authorised by the board on 16th September 2016 and signed on its behalf by:

  
C Rogers  
Director

LINDEN WATES (RAVENS COURT PARK) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Ordinary shares	Retained earnings	Total shareholders' equity
	£000	£000	£000
At 1 January 2015	1	(447)	(446)
Total comprehensive income for the year	-	5,013	5,013
At 31 December 2015	1	4,566	4,567

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £'000	2014 £'000
<b>Cash flows from operating activities</b>		
<b>Continuing operations</b>		
Profit/(loss) before finance costs	6,689	(7)
<b>Net cash generated from/(used) in operations before changes in working capital</b>	<b>6,689</b>	<b>(7)</b>
(Increase) / Decrease in trade and other receivables	(890)	7
Increase / (Decrease) in trade and other payables	(12,309)	3,684
Decrease / (Increase) in developments	7,613	(3,274)
<b>Net cash generated from operations</b>	<b>1,103</b>	<b>410</b>
Interest paid	(403)	(383)
Income tax (paid) / received	(705)	-
<b>Net cash generated from/(used in) operations activities</b>	<b>(5)</b>	<b>27</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5)</b>	<b>27</b>
Cash and equivalents at 1 January 2015	37	10
<b>Cash and equivalents at 31 December 2015</b>	<b>32</b>	<b>37</b>

**LINDEN WATES (RAVENS COURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

**General information**

Linden Wates (Ravenscourt Park) Ltd ('the Company') is a limited company incorporated, and domiciled in England and Wales (Registered number: 5428184). The address of the registered office is Linden Wates (Ravenscourt Park) Ltd, Cowley Business Park, Uxbridge, Middlesex UB8 2AL.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the partnership operates. The amounts stated are denominated in thousands (£'000).

**Basis of accounting**

These financial statements have been prepared in accordance with EU adopted International Accounting Standards (IASs), International Financial Reporting Standards (IFRS's), IFRS Interpretations Committee (IFRS IC) Interpretations and with those parts of Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis and under the historical cost convention and financial assets and liabilities (including derivative financial instruments) at fair value through profit and loss. The Company has applied all accounting standards and interpretations issued by the International Accounting Standards Board and IFRS IC, and endorsed by the EU, relevant to its operations and effective on 1 January 2015.

New standards and amendments, that became mandatory for the first time for the financial year beginning 1 January 2015 is listed below. The new amendments had no significant impact on the Company's results other than certain revised disclosures.

- Amendment to IAS 39 'Financial Instruments: Recognition and measurement'
- Amendment to IAS 19 'Employee benefits'
- IFRIC 21 'Leases'

New standards, amendments and interpretations issued but not effective or yet to be endorsed by the EU are as follows:

- Amendment to IFRS 11 'Joint arrangements'
- Amendment to IAS 16 'Property, plant and equipment'
- Amendment to IFRS 10 & IAS 28 regarding the sale or contribution of assets between investor and associates
- IFRS 15 'Revenue from contracts with customers'
- IFRS 16 'Leases'
- IAS 1 'Presentation of financial statements'
- IFRS 14 'Regulatory deferral accounts'

The company is currently assessing the impact of the new standards, amendments and interpretations that are not yet effective. The Company does not currently believe adoption of these would have a material impact on the results or financial position of the Company.

These are the first financial statements of the Company prepared in accordance with IFRS. The Company's date of transition is 1 January 2015. The impact on transition on the shareholders' equity at the date of transition and at the year end has been assessed, as has the impact on the profit and loss for the year ended 31 December 2015. No differences have been identified through this assessment and no changes to the financial results or position have therefore been made as a result of transition.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the parent companies, (Linden Limited and Wates Group Limited). The directors have received confirmation that Linden Limited and Wates Group Limited intend to support the Company for at least one year after these financial statements are signed.

**Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. Accounting policies (continued)**

**Critical accounting estimates and judgements (continued)**

Material estimates and assumptions are made in particular with regards to establishing the following policies:

(i) Estimation of costs to complete and loss provisions.

In order to determine the profit and loss that the Company is able to recognise on its developments in a specific period, the Company has to allocate total costs of the developments between the proportion completing in the period and the proportion to complete in a future period. The assessment of the total costs to be incurred requires a degree of estimation. However, the company has established internal controls to review and ensure the appropriateness of estimates made.

**Revenue and profit**

Revenue comprises the fair value of the consideration received or receivable net of rebates, discounts and value added tax. The Company's revenue relates to one class of business and is all generated in the UK.

Revenue and profit on land sales is to be recognised when an unconditional exchange of contracts has been achieved or where a conditional contract has been exchanged; the condition must be within the control of the company.

Amounts recoverable on contracts and payments on account are calculated as cost plus attributable profit less any foreseeable losses and cash received to date and are included in receivables or payables as appropriate.

**Interest income and expense**

Interest income and expense is recognised on a time proportion basis using effective interest.

**Dividend policy**

Final dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

**Income tax**

Current income tax is based on the taxable profit for the year. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

The Company surrenders tax losses and other allowances by consortium relief to its members. The company receives no reimbursement for these tax losses.

**Inventories and developments**

Inventories are valued at the lower of cost and net realisable value. Work in progress is valued at the lower of cost, including direct costs and directly attributable overheads, and net realisable value.

Where a development is in progress, net realisable value is assessed by considering the expected future revenues and the total costs to complete the development including direct costs and directly attributable overheads. To the extent that the Company anticipates selling a development in its current state then net realisable value is taken as open market value at the balance sheet date less any anticipated selling costs.

**Provisions for liabilities and charges**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

**LINDEN WATES (RAVENS COURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**1. Accounting policies (continued)**

**Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (typically more than 30 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within cost of sales.

When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement. Short term trade receivables do not carry any interest and are stated at their amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

**Bank and other borrowings**

Interest bearing bank loans and overdrafts and other loans are originally recognised at fair value net of transaction costs incurred. Such borrowings are subsequently stated at amortised cost with the difference between initial fair value and redemption value recognised in the income statement over the period to redemption.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method. Re-financing costs associated with new borrowing arrangements are included within the borrowing amount and amortised over the period of the loan.

**Trade payables**

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate.

**2. Employees and directors**

There were no employees during the year (2014: nil) and directors received no remuneration for their services.

**3. Finance Costs**

**2015**  
**£'000**                      **2014**  
**£'000**

Interest payable on financial borrowings

403                      383

**4. Profit / loss before taxation**

**2015**  
**£'000**                      **2014**  
**£'000**

The following items have been included at arriving at the profit / loss on ordinary activities before taxation:

**Services provided by the Company's auditors**

- Fees payable for the audit of the financial statements

4                      4

**5. Revenue**

**2015**  
**£'000**                      **2014**  
**£'000**

Speculative Housing Sales  
Leasehold Commercial Property Sale  
Discounted Market Sales  
Sundry Income

16,896                      -  
2,333                      -  
1,512                      -  
8                      -

20,749                      -

**LINDEN WATES (RAVENS COURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

6. Tax expense - Analysis of expense in the year	2015 £'000	2014 £'000
United Kingdom corporation tax on profit for the year	1,273	(84)
	<hr/>	<hr/>
Tax on profit on ordinary activities	1,273	(84)
	<hr/>	<hr/>
Tax on profit on ordinary activities at the standard UK corporation tax rate of 20.25% (2014: 21.50%)		
	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	6,286	(390)
	<hr/>	<hr/>
	1,273	(84)
	<hr/>	<hr/>
Current tax charge for the year	1,273	(84)
	<hr/>	<hr/>

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the Company's profits for the previous financial year were taxed at a blended standard rate of 21.5%. The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this financial year are taxed at a blended standard rate of 20.25%

In addition to the changes in rates of corporation tax disclosed above, further changes to the UK Corporation tax system were announced in the July 2015 UK Budget Statement. These included reductions to the main rate of corporation tax to 19% from April 2017 and 18% from April 2020. These rate reductions had not been substantively enacted at the balance sheet date and, therefore, the relevant deferred tax balances have not been remeasured.



**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>7. Developments</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Land	2,444	8,578
Work-in-progress	1,869	3,348
	<u>4,313</u>	<u>11,926</u>

<b>8. Trade and other receivables</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Amounts owed from partners	991	98
Other receivables	24	27
	<u>1,015</u>	<u>125</u>

Amounts owed by group undertakings do not bear any interest, have no fixed date of repayment and are repayable on demand.

Trade receivables are reviewed for impairment. The Company has no overdue trade receivables in terms of payment, hence impaired trade receivables. The Company's maximum exposure to credit risk is the receivables and financial borrowings balances, but no significant concentration of credit risk.

<b>9. Cash and cash equivalents</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Cash and cash equivalents	<u>32</u>	<u>37</u>

<b>10. Trade and other payables</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Land & S106 Creditor	-	376
Current corporation tax	423	(145)
Other creditors	370	659
	<u>793</u>	<u>890</u>

Other than in note 11 all financial liabilities held at amortised cost are payable within one year.

<b>11. Trade and other payables greater than 1 year</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Amounts owed to partners	-	11,644
	<u>-</u>	<u>11,644</u>

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**12. Financial instruments**

The business and the execution of the company's strategy are subject to a number of risks and uncertainties. The key business risks and uncertainties affecting the company are considered to relate to the strength and volatility of the UK housing market. This includes changes to the UK housing market and the economic cycle affecting consumer confidence and the availability of mortgage finance. The directors monitor Government and Industry data on housing prices, sales volumes and construction commencement data thus enabling anticipation of market changes and facility to adjust build programmes, sales releases and purchaser incentives accordingly. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

**Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

**Financial risk factors**

**(a) Market risk**

**(i) Foreign exchange risk**

All material activities of the Company take place within the UK and consequently there is little direct exchange risk.

**(ii) Price risk**

The Company is affected by the level of UK house prices. These are in turn affected by factors such as mortgage availability, employment levels, interest rates, consumer confidence.

**(iii) Interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from movement in cash and cash equivalents and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

**(b) Credit risk**

Credit risk arises from cash and cash equivalents, deposits and borrowings with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Company has a credit risk exposure to the providers of its banking facilities. These are primarily provided by HSBC Bank Plc and management does not expect any material losses from non-performance of any counterparties, including in respect of receivables not yet due.

**(c) Liquidity risk**

In accordance with IAS 39 'Financial instruments: recognition and measurement', the company has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives have been identified.

**Fair value of financial instruments**

The company's financial instruments comprise of trade and other receivables excluding prepayments, financial liabilities – borrowings, trade and other payables excluding deferred income, VAT and social security taxes. There is no difference between the book value and the fair value of the Company's financial assets and financial liabilities.

**13. Ordinary share capital**

	2015 £	2014 £
<b>Authorised</b>		
500 A (2014:500A) ordinary shares of £1 each	500	500
500 B (2014:500B) ordinary shares of £1 each	500	500
	<hr/> 1,000	<hr/> 1,000
<b>Allotted and fully paid</b>		
500 A (2014:500A) ordinary shares of £1 each	500	500
500 B (2014:500B) ordinary shares of £1 each	500	500
	<hr/> 1,000	<hr/> 1,000
	<hr/> <hr/>	<hr/> <hr/>
	2015 £	2014 £
At 1 January 2015	1,000	1,000
At 31 December 2015	<hr/> 1,000	<hr/> 1,000

Number of shares refers to £1 ordinary shares, which are issued and fully paid. There are no shares issued but not fully paid.

**LINDEN WATES (RAVENCOURT PARK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14. Retained Earnings**

	<b>2015 £'000</b>
At 1 January 2015	(447)
Profit for the financial year	5,013
	<hr/>
At 31 December 2015	4,566
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**15. Controlling Party**

Linden Wates (Ravenscourt Park) Limited is jointly owned by Linden Limited and Wates Developments Limited with both companies sharing equal control.

**16. Related party transactions**

At the end of the year there was a £893,188 JV debtor owed by both Linden Limited (£446,594) and Wates Developments Limited (£446,594). Loan stock interest of £403,068 (2014: £382,559) was accrued and paid in the year, split equally between both of the JV partners.

At the end of the year £38,585 was owed by Linden Limited (2014: £39,065) and £38,585 by Wates Developments Limited (2014: £39,065) in respect of residual amounts due on the former Star Road, Fulham development.

At the end of the year £10,169 was owed by Linden Limited (2014: £10,169) and £10,169 by Wates Developments Limited (2014: £10,169) in respect of residual amounts due on the Cuckfield Development.

**17. Post balance sheet events**

Recent political events have created a backdrop of uncertainty. It is too early to predict specific effects on our markets, but the strength of underlying demand for new homes and the continuing availability of mortgage finance and Help-to-Buy give grounds for confidence. There is no impact on the carrying value of assets and liabilities, including developments, reported at the balance sheet date of 31 December 2015.