

**Company Registration No. 055090738**

**WBD (Wokingham) Limited**

**Report and Financial Statements**

**30 June 2010**

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# **WBD (Wokingham) Limited**

## **Report and financial statements 2010**

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# **WBD (Wokingham) Limited**

## **Report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

N W Davies  
R J Evans  
W S Robinson

#### **Secretary**

L Dent

#### **Registered Office**

Barratt House  
Cartwright Way  
Forest Business Park  
Bardon Hill, Coalville  
Leicestershire  
LE67 1UF

#### **Trading address**

Cartwright Way  
Forest Business Park  
Bardon Hill  
Leicestershire  
England  
LE67 1UB

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London  
UK

# **WBD (Wokingham) Limited**

## **Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 30 June 2010

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006

### **Principal activities**

The principal activity of the Company during the year was the operation of a shopping centre

### **Review of business**

The Directors consider the underlying results of the Company to be satisfactory given current trading conditions. During the year, the Company has reported profits of £115,000 before tax and exceptional items (2009 £120,000) and generated sales of £153,000 (2009 £171,000)

The Directors have reviewed the carrying value of the Company's land and property assets as at 30 June 2010 and no new impairment charges have been recognised

### **Going concern**

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future

The Company is funded by Barratt Developments PLC and its subsidiary undertakings (the 'Group'), and the financial position of the Company is therefore dependent upon the performance of the Group. The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. On 23 September 2009 the ultimate parent company, Barratt Developments PLC, announced a fully underwritten Placing and Rights Issue, raising gross proceeds of £720.5m, together with amended financing arrangements. The equity issue was completed on 4 November 2009 and the amended financing arrangements came into effect on 16 November 2009.

The Placing and the Rights Issue, together with the amended financing arrangements, have significantly strengthened the position of the Group and have enabled the Group to take advantage of land acquisition opportunities. There has been some recovery in the new housing market during the year, although the market remains subject to economic uncertainty and a lack of mortgage finance particularly in the higher loan to value segment. The amended financing arrangements provide an appropriate alternative framework for the Group should a further downturn arise.

Accordingly, after making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in existence for the foreseeable future being at least twelve months from the date of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### **Dividends**

No interim dividend was paid during the financial year (2009 £nil). No final dividend will be paid for the year ended 30 June 2010 (2009 £nil).

There are no proposed dividends at the balance sheet date.

## **WBD (Wokingham) Limited**

### **Directors' report (continued)**

#### **Directors**

The Directors of the Company who held office during the year, and up to the date on which the financial statements were signed, were as follows

N W Davies  
R J Evans  
W S Robinson

#### **Directors' indemnities**

Following shareholder approval in January 2006, Barratt Developments PLC has provided indemnity to the Directors and Company Secretary of all Group companies, including WBD (Wokingham) Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 Companies Act 2006

#### **Share issue**

On 17 May 2010, the Company's authorised share capital was increased to 1,001,000 ordinary shares. On 24 May 2010, Wilson Bowden Developments Limited, the immediate parent company, acquired one million ordinary shares at par. The acquisition price is deemed to have been settled in full on the date of acquisition.

#### **Disclosure of information to auditors**

Each Director at the date of approval of this report confirms that

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the Directors' duty to exercise due care, skill and diligence) that he ought to have taken in his duty as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006

Approved by the Board and signed on its behalf by



N W Davies  
Director

25 November 2010

## **WBD (Wokingham) Limited**

### **Statement of directors' responsibilities**

The Directors are responsible for preparing the annual 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 law). 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 judgements and estimates that are reasonable and prudent, 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 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 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.

## **Independent auditors' report to the members of WBD (Wokingham) Limited**

We have audited the financial statements of WBD (Wokingham) Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet, statement of accounting policies and the related notes 1 to 14. 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 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 more fully explained in the Directors' Responsibilities Statements, 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 Practice Board's (APB's) Ethical Standards for Auditors.

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

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.

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2010 and of its profit 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 matters prescribed in the Companies Act 2006**

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

## **Independent auditors' report to the members of WBD (Wokingham) Limited (continued)**

### **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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report

*G. Richardson*

Graham Richardson, (Senior Statutory Auditor)  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
25 November 2010



## WBD (Wokingham) Limited

### Profit and loss account Year ended 30 June 2010

	Notes	2010			2009		
		Before exceptional items £'000	Exceptional items (Note 3) £'000	Total for the year £'000	Before exceptional items £'000	Exceptional items (Note 3) £'000	Total for the year £'000
Turnover	2	153	-	153	171	-	171
Cost of sales		(20)	-	(20)	(16)	(762)	(778)
<b>Gross profit/(loss)</b>		<b>133</b>	<b>-</b>	<b>133</b>	<b>155</b>	<b>(762)</b>	<b>(607)</b>
Administrative expenses		(18)	-	(18)	(35)	-	(35)
<b>Operating profit/(loss)</b>		<b>115</b>	<b>-</b>	<b>115</b>	<b>120</b>	<b>(762)</b>	<b>(642)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>	4	<b>115</b>	<b>-</b>	<b>115</b>	<b>120</b>	<b>(762)</b>	<b>(642)</b>
Taxation	7	(32)	-	(32)	(34)	214	180
<b>Profit/(loss) on ordinary activities after taxation</b>	12, 13	<b>83</b>	<b>-</b>	<b>83</b>	<b>86</b>	<b>(548)</b>	<b>(462)</b>

The accompanying notes are an integral part of this profit and loss account

All activities of the Company are continuing

There is no material difference between the profit on ordinary activities before taxation for the year stated above and their historical cost equivalent

The Company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

# WBD (Wokingham) Limited

## Balance Sheet

30 June 2010

	Notes	2010 £'000	2009 £'000
<b>Current assets</b>			
Stock	8	1,750	1,750
Debtors amounts falling due within one year	9	201	208
Cash at bank and in hand		58	40
		<u>2,009</u>	<u>1,998</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,439)</u>	<u>(2,511)</u>
<b>Net current assets/(liabilities)</b>		<u>570</u>	<u>(513)</u>
<b>Net assets/(liabilities)</b>		<u>570</u>	<u>(513)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	-
Profit and loss account	12	<u>(430)</u>	<u>(513)</u>
<b>Shareholders' funds/(deficit)</b>	13	<u>570</u>	<u>(513)</u>

The financial statements of WBD (Wokingham) Limited (registered number 055090938) were approved by the Board of Directors on 25 November 2010

Signed on behalf of the Board of Directors



N W Davies  
Director

# **WBD (Wokingham) Limited**

## **Notes to the financial statements**

**Year ended 30 June 2010**

### **1. Accounting policies**

#### **Basis of preparation**

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year and preceding year (where applicable), are detailed below.

#### **Going concern**

As set out on page 2 in the Directors' Report, the Directors have formed the view that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements are prepared under the historical cost convention.

#### **Cash flow statement**

The Company is a wholly owned subsidiary of Barratt Developments PLC and the cash flows of the Company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (revised) from publishing a cash flow statement.

#### **Stocks**

Stocks and work in progress, excluding long-term contract work in progress, are valued at the lower of cost and net realisable value, less progress payments received and receivable. Costs comprise direct materials, direct labour costs and those overheads which have been incurred in bringing the stocks to their present location and condition. Provisions are recognised when, in the view of management, costs exceed net realisable value.

Land held for development, including land in the course of development, is initially recorded at discounted cost. Where, through deferred purchase credit terms, the discounted cost differs from the amount that will ultimately be paid in acquiring the land, this difference is charged as a finance cost in the profit and loss account over the period of settlement. Due to the scale of the Company's developments, the Company has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments there is a degree of inherent uncertainty. The Company has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

#### **Current taxation**

UK corporation tax is provided on taxable profits at the current rate.

#### **Deferred 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 measured on a non-discounted basis.

#### **Turnover**

Turnover is recognised at legal completion and comprises amounts receivable for goods and services supplied to customers during the period. Operating lease income is recognised in equal instalments over the life of the lease.

# WBD (Wokingham) Limited

## Notes to the financial statements (continued)

Year ended 30 June 2010

### 1. Accounting policies (continued)

#### Exceptional items

Items that are material in size, or unusual or infrequent in nature, are presented as exceptional items in the profit and loss account. The Directors are of the opinion that the separate presentation of exceptional items provides helpful information about the Company's underlying business performance. Examples of events that, inter alia, may give rise to the classification of items as exceptional are restructuring of existing or newly acquired businesses, gains or losses on the disposal of businesses or individual assets and asset impairments, including currently developable land and work in progress.

#### Borrowing costs

The Company does not capitalise borrowing costs and instead charges them to the profit and loss account in the period to which they relate.

#### Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

#### Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms are recovered 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.

#### Cash and cash equivalents

Cash and cash equivalents include cash and balances in bank accounts with no notice or less than three months' notice from inception and are subject to an insignificant risk of changes in value.

### 2. Turnover

	2010 £'000	2009 £'000
Rental income	134	155
Service charge income	19	16
	<u>153</u>	<u>171</u>

All turnover arose solely in the United Kingdom.

### 3. Exceptional costs

#### Exceptional cost of sales

At 30 June 2009, the Company conducted a review of the net realisable value of its land and work in progress, which resulted in an impairment charge of £762,000. The tax charge for this prior year was reduced by £213,400 as a consequence of this impairment.

During the current year ended 30 June 2010, the Company conducted a further review of the net realisable value of its land and work in progress, which resulted in no impairment.

# WBD (Wokingham) Limited

## Notes to the financial statements (continued)

Year ended 30 June 2010

### 4. Profit/(loss) on ordinary activities before taxation

Fees totalling £3,000 (2009 £3,000) payable to the Company's auditors for the audit of the Company's financial statements were borne by another Group company. Fees paid to the Company's auditors for the provision of non-audit services in the year to 30 June 2010 amounted to £nil (2009 £nil).

### 5. Directors' emoluments

W S Robinson is an employee of Wilson Bowden Developments Limited, the immediate parent company, and he received no remuneration from the Company for his services as a Director.

N W Davies and R J Evans are also Directors of Wilson Bowden Developments Limited, the immediate parent company, and they received no remuneration from the Company for their services as Directors.

### 6. Employee information

The Company had no employees in the year to 30 June 2010 (2009 none).

### 7. Taxation on profit/(loss) on ordinary activities

#### a) Analysis of charge in the year

	2010 £'000	2009 £'000
<b>Current tax</b>		
UK Corporation tax on profit/(loss) for the year	32	(180)
<b>Total current tax charge/(credit)</b>	<b>32</b>	<b>(180)</b>

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

The tax rate assessed is equal (2009 equal) to the standard rate of corporation tax in the United Kingdom. The differences are explained below.

	2010 £'000	2009 £'000
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>115</b>	<b>(642)</b>
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 28% (2009 28%)	32	(180)
<b>Current tax charge/(credit) for the year</b>	<b>32</b>	<b>(180)</b>

#### c) Factors that may affect future tax charge

##### June 2010 Budget announcements

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The proposed reductions of the main rate of corporation tax by 1% per year to 24% by 1 April 2014 are expected to be enacted separately each year.

# WBD (Wokingham) Limited

## Notes to the financial statements (continued) Year ended 30 June 2010

### 8. Stock

	2010 £'000	2009 £'000
Properties held for sale	<u>1,750</u>	<u>1,750</u>

The Directors consider all stocks to be essentially current in nature, although the Company's operational cycle is such that a proportion of stocks will not be realised within twelve months. It is not possible to determine with accuracy when specific stock will be realised as this will be subject to a number of issues such as consumer demand and planning permission delays.

During the year ended 30 June 2009, the Company conducted a review of the net realisable value of its portfolio, comparing the estimated net realisable value of the property with its balance sheet carrying-value. This review resulted in an exceptional impairment charge of £762,000 to the Company's profit and loss account. Please see Note 3 for further details.

At 30 June 2010, the Company conducted a net realisable value review of its portfolio which resulted in no additional impairment charges.

Following these impairments £1.75m (2009: £1.75m) of stocks are valued at discounted cost less costs to sell rather than at historical cost.

### 9. Debtors

	2010 £'000	2009 £'000
Amounts falling due within one year		
Trade debtors	21	28
Other debtors	180	-
Corporation tax	-	180
	<u>201</u>	<u>208</u>

### 10. Creditors: Amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings	1,319	2,441
Corporation tax	32	-
Other taxation and social security costs	14	9
Accruals	58	56
Deferred income	16	5
	<u>1,439</u>	<u>2,511</u>

Amounts payable to Group undertakings are interest-free and are repayable on demand.

## WBD (Wokingham) Limited

### Notes to the financial statements (continued) Year ended 30 June 2010

#### 11 Called-up share capital

	2010 £	2009 £
<b>Allotted, called up and fully paid</b>		
1,000,001 ordinary shares of £1 each	<u>1,000,001</u>	<u>1</u>

On 17 May 2010, the Company's authorised share capital was increased to 1,001,000 ordinary shares. On 24 May 2010, Wilson Bowden Developments Limited, the immediate parent company, acquired one million ordinary shares at par. The acquisition price is deemed to have been settled in full on the date of acquisition.

#### 12. Profit and loss account

	Total £'000
At 1 July 2009	(513)
Profit on ordinary activities after taxation	<u>83</u>
At 30 June 2010	<u>(430)</u>

#### 13 Reconciliation of movements in shareholders' funds/(deficit)

	2010 £'000	2009 £'000
Shareholders' deficit at 1 July	(513)	(51)
Profit/(loss) on ordinary activities after taxation	83	(462)
New shares issued and fully paid	<u>1,000</u>	<u>-</u>
Shareholders' funds/(deficit) at 30 June	<u>570</u>	<u>(513)</u>

#### 14. Immediate and ultimate parent company and controlling party

The immediate parent company is Wilson Bowden Developments Limited, a company registered in England and Wales.

The Directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the smallest and largest group to consolidate these financial statements and copies of these accounts may be obtained from Barratt Developments PLC, Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.