

**CREST NICHOLSON (LONDINIUM) LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31<sup>st</sup> OCTOBER 2011**



*Registered No 1099697*

**CREST NICHOLSON (LONDINIUM) LIMITED**

**REPORT OF THE DIRECTORS**

The Directors have pleasure in submitting their report and the audited accounts for the year ended 31st October 2011

**Principal activities and business review**

The Company did not trade during the year but acted as an undisclosed agent of Crest Nicholson Operations Limited engaging in residential and commercial property development

**Directors**

The Directors during the year were

Mr D P Darby (Resigned 19<sup>th</sup> January 2011)  
Mr P J Bergin  
Mr S Stone  
Mr N C Tinker  
Mr G C Ketteridge (Resigned 29th October 2010)  
Mr D A Huggett (Appointed 8<sup>th</sup> November 2010)

**Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit 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 audit information and to establish that the company's auditors are aware of that information

By Order of the Board

**K M Maguire**  
Secretary



Crest House  
Pycroft Road  
Chertsey  
Surrey KT16 9GN

28<sup>th</sup> February 2012

**CREST NICHOLSON (LONDINIUM) 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

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**  
**CREST NICHOLSON (LONDINIUM) LIMITED**

We have audited the financial statements of Crest Nicholson (Londinium) Limited for the year ended 31<sup>st</sup> October 2011 set out on pages 4 to 5. 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 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 2, 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 web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2011 and of its result 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

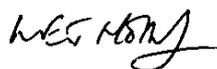
**Opinion on other matter prescribed by the Companies Act 2006**

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



**W E J Holland (Senior Statutory Auditor)**

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

Chartered Accountants  
London

28<sup>th</sup> February 2012

**CREST NICHOLSON (LONDINIUM) LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31<sup>st</sup> OCTOBER 2011**

During the financial year and preceding financial year the Company did not trade and received no income and incurred no expenditure but acted only as an undisclosed agent of Crest Nicholson Operations Limited. Consequently, during those years the Company made neither a profit nor a loss and consequently no profit and loss account has been prepared.

**BALANCE SHEET AS AT 31<sup>st</sup> OCTOBER 2011**

	Note	<u>2011</u> £'000	<u>2010</u> £'000
<b>Current Assets</b>			
Debtors			
Amounts owed by Group undertakings		50	50
Creditors amounts falling due within one year		<u>-</u>	<u>-</u>
<b>Net Current Assets</b>		50	50
<b>Net assets</b>		<u>50</u>	<u>50</u>
<b>Capital and Reserves</b>			
Share capital	4	<u>50</u>	<u>50</u>

The notes on page 5 form part of these financial statements

Approved by the Board of Directors and signed on its behalf on 28<sup>th</sup> February 2012 by



**P J Bergin**  
Director

**CREST NICHOLSON (LONDINIUM) LIMITED****NOTES TO THE ACCOUNTS****1 Accounting Policies - Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking

Under Financial Reporting Standard 8 the Company is exempt from the requirement to disclose related party transactions with Crest Nicholson Holdings Limited and its subsidiary undertakings on the grounds that it is a wholly owned subsidiary undertaking of Crest Nicholson Holdings Limited

**Going Concern**

The company is one of the Obligors under the debt facilities of the Crest Nicholson Group. During the year, a major financial restructuring of the Crest Nicholson Group was successfully concluded, which has resulted in a significant increase in the equity on the group balance sheet. Debt with a book value of £359m was equitised, leaving the group with £150m of long term financing.

The Directors are satisfied that the group has sufficient resources to continue in operation for the foreseeable future. The Directors reviewed detailed financial forecasts and covenant compliance covering the period November 2011 to October 2012, and summary financial forecasts for the following two years. The group's borrowing facilities have been extended to 2015, and the group holds net cash of £122m at 31<sup>st</sup> October 2011.

For these reasons, the Directors consider it appropriate to prepare the financial statements of the company on a going concern basis.

**2 Directors and employees**

The company had no employees during the year (2010 Nil)

The Directors did not receive any remuneration for their services during the year (2010 Nil)

**3 Auditors' remuneration**

Audit fees for the audit of these financial statements of £500 (2010 £500) were met by Crest Nicholson Plc

**4 Share capital**

	2011	2010
	£	£
Allotted, called up and fully paid		
50,000 Ordinary Shares of £1 each	50,000	50,000

**5 Parent Company and Ultimate Controlling Party**

The immediate parent company is Crest Nicholson Operations Ltd, which is incorporated in Great Britain and registered in England and Wales.

The ultimate parent company is Crest Nicholson Holdings Limited, the largest higher group of undertakings for which group accounts are drawn up, which is incorporated in Great Britain and registered in England and Wales. Crest Nicholson Holdings Limited is the highest group entity in which the results of the group are consolidated. The smallest group in which they are consolidated is that headed by Crest Nicholson Plc. Copies of Crest Nicholson Holdings Limited Group accounts can be obtained from the Company's registered office which is shown in the Directors' Report.

The ultimate controlling party is Varde Partners Inc, by virtue of their control of 60% of the ordinary share capital of Crest Nicholson Holdings Limited.