

COMPANY NO: 4297708

Kingsbridge Residential Limited

Report and Financial Statements

Year ended 31 March 2009

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Kingsbridge Residential Limited
Year Ended 31 March 2009

Company Information

Directors

Chairman

A Leahy

Directors

R Allen
C Bean (Resigned 1 April 2008)
C Buckley (Appointed 1 October 2008)
P Cox (Resigned 1 April 2008)
J Czezowski
G Dibben
G Pryce (Appointed 1 October 2008)
T Sullivan
P Taylor
G Waite
D Walden (Appointed 1 October 2008)

Executive Officers

Group Chief Executive

D Mercer

Group Commercial Officer

J Knevett

Assistant Chief Executive (Corporate Services)

K Bull

Group Director (Home Ownership & Strategy)

S Devitt

Assistant Chief Executive (Operations)

A Evans

Assistant Chief Executive (Development)

A Johnson

Group Director (Finance & Strategy)

D Lynch

Managing Director (South Region)

M Newbiggin

Managing Director (London Region)

N Poole

Group Treasury Director

D Tufts

Managing Director (North Region)

N Yeeles

Secretary

K Tromanhauser (Appointed 1 July 2009)

Registered office

Capital House
25 Chapel Street
Paddington
London
NW1 5WX

Auditors

BDO Stoy Hayward LLP
Chartered Accountants
Emerald House
East Street
Epsom
Surrey
KT17 1HS

Principal Solicitors

Devonshires Solicitors
Salisbury House
London Wall
London
EC2M 5QY

Bankers

Barclays Bank Plc
Floor 28
1 Churchill Place
London
E14 5HP

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activity and Future Development

The principal activities are to develop and to sell or let residential properties.

Result

The company made a loss for the year of £996k (2008: £410k loss). The underlying business produces revenue streams with the aim of covering the interest cost prior to disposal of the rental assets. We are undertaking a review of the individual investment properties and will be disposing of those not expected to generate a positive return.

Directors and Directors' Interests

The Directors who held office during the year and their interests in the Company were as follows:

R Allen	
C Bean	(Resigned 1 April 2008)
C Buckley	(Appointed 1 October 2008)
P Cox	(Resigned 1 April 2008)
J Czezowski	
G Dibben	
A Leahy	
G Pryce	(Appointed 1 October 2008)
T Sullivan	
P Taylor	
G Waite	
D Walden	(Appointed 1 October 2008)

None of the Directors have interests in the shares of the Company.

Statement of the directors' responsibilities for the report and financial statements

The directors are required to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year which give a true and fair view of the state of affairs of the company and its profit or loss for that period.

In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standard 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 proper accounting records which 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 1985. 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 ensuring that the director's report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

Kingsbridge Residential Limited
Year Ended 31 March 2009

Report of the Directors (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Awareness of relevant audit information

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

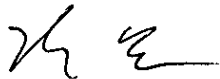
Auditors

Grant Thornton resigned as Auditors on 31 March 2009. BDO Stoy Hayward were appointed as auditors on 31 March 2009. A resolution to re-appoint BDO Stoy Hayward will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approval

The Report of the Directors was approved on 24 September 2009 and signed on behalf of the Board by:



K Tromanhauser
Secretary

Independent Auditor's Report to the Shareholders of Kingsbridge Residential Limited

We have audited the financial statements of Kingsbridge Residential Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

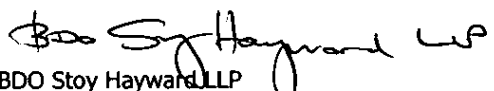
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Shareholders of Kingsbridge Residential Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.


BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
Epsom
Surrey

Date: 25 September 2009

Kingsbridge Residential Limited
Year Ended 31 March 2009

Profit and Loss Account

For the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
Turnover: continuing activities	1	551	493
Operating expenses		(1,317)	(235)
Operating (loss)/profit: continuing operations	2	<u>(766)</u>	<u>258</u>
Loss on disposal of property of continuing operations		(4)	(21)
Interest payable	3	(512)	(647)
Loss on ordinary activities before taxation		<u>(1,282)</u>	<u>(410)</u>
Tax on profit on ordinary activities	5	-	-
Loss on ordinary activities after taxation	11	<u><u>(1,282)</u></u>	<u><u>(410)</u></u>

The notes on pages 9-15 form part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2009

	Note	2009 £ '000	2008 £ '000
Loss for the financial year		(1,282)	(410)
Unrealised deficit on property revaluation	11	(819)	(846)
Total recognised losses for the year		<u>(2,101)</u>	<u>(1,256)</u>

Note of historical cost profits and losses

For the year ended 31 March 2009

	Note	2009 £ '000	2008 £ '000
Reported loss on ordinary activities before taxation		(1,282)	(410)
Realisation of property revaluation gains	11	23	29
Historical cost loss on ordinary activities before taxation		<u>(1,259)</u>	<u>(381)</u>
Historical cost loss for the year after taxation		<u>(1,259)</u>	<u>(381)</u>

The notes on pages 9-15 form part of these financial statements.

Kingsbridge Residential Limited
Year Ended 31 March 2009

Balance Sheet

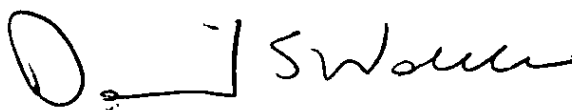
As at 31 March 2009

	Note	2009 £ '000	2008 £ '000
Tangible Fixed assets			
Housing Properties	6	16,457	11,071
Current assets			
Debtors	7	1,621	47
Cash at bank		133	1
		<u>1,754</u>	<u>48</u>
Creditors: Amounts falling due within one year	8	(19,772)	(6,107)
Net current liabilities		<u>(18,018)</u>	<u>(6,059)</u>
Total assets less current liabilities		(1,561)	5,012
Creditors: Amounts falling due after more than one year	9	-	(4,472)
Net assets		<u>(1,561)</u>	<u>540</u>
Capital and reserves			
Called up share capital	10	51	51
Revaluation reserve	11	373	1,215
Profit and loss account	11	(1,985)	(726)
		<u>(1,561)</u>	<u>540</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The financial statements were approved and authorised for issue by the Board of Directors on 24 September 2009 and signed on its behalf by:


A Leahy
Chairman


D Walden
Director

The notes on pages 9 – 15 form part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historic cost accounting cost convention as modified by the revaluation of certain fixed assets.

Turnover

Turnover comprises rental income and service charges receivable which are recognised on the basis of the period they are due and net proceeds from sale of property which is recognised at a point between legal exchange and legal completion.

Housing Properties

Housing properties are investment properties available for rent and are stated at market values. These are therefore not depreciated in accordance with SSAP 19.

Revaluation reserve

The difference between the valuation of housing properties and the historical cost carrying value (net of depreciation) is credited to the revaluation reserve.

Interest Payable

All interest payable is charged to the profit and loss account

Cash Flow Statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "Cash Flow Statements (Revised 1996)" not to prepare a cash flow statement on the grounds that it is a "small" company under the Companies Act 1985.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Except as noted below, full provision for deferred taxation is made under the incremental liability method on all timing differences that have arisen, but not reversed by the balance sheet date.

In accordance with FRS 19, deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over or on revaluation gains on housing properties where there is a binding agreement to sell them at the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. The recognition of deferred tax assets is limited to the extent the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax assets and liabilities are not discounted.

Value added tax

The financial statements include VAT to the extent that it is suffered by the Company and not recoverable from HM Revenue and Customs.

Notes to the Financial Statements (continued)

2. Operating (Loss)/ Profit

Is stated after charging:

	2009 £'000	2008 £'000
Auditors' remuneration – audit services	-	1
	<u> </u>	<u> </u>

3. Interest Payable

	2009 £ '000	2008 £ '000
Loans and bank overdrafts	71	294
Paid to other Group Entities	441	353
	<u> </u>	<u> </u>
	512	647
	<u> </u>	<u> </u>

4. Employees

The company has no employees as the business is managed by its parent A2Dominion Housing Group Limited, the employees of which perform the necessary functions on behalf of the company through service level agreements.

Notes to the Financial Statements (continued)

5. Taxation

Taxation charge for the year:

	2009	2008
	£'000	£'000
Current taxation		
Current tax on profits for the year	-	-
Adjustments in respect of prior years	-	-
Current taxation	-	-
	-	-

Current tax reconciliation

The current tax charge is lower than the standard rate of corporation tax in the UK. A reconciliation is shown below:

	2009	2009
	£'000	£'000
Loss on ordinary activities before taxation	(1,282)	(410)
Theoretical tax at UK corporation tax rate 28% (2008:30%)	(359)	(123)
Effects of:		
-Expenses not deductible for tax purposes	-	6
-Chargeable gains	-	12
-Group relief claimed	359	105
Actual current taxation charge	-	-

Notes to the Financial Statements (continued)

6. Tangible Fixed Assets

Housing properties	Non-Social Housing Properties held for letting £'000	Non-Social Housing Properties held for development £'000	Total housing properties held for letting £'000
Valuation			
At 1 April 2008	10,145	926	11,071
Additions	7,439	3	7,442
Disposals	(40)	-	(40)
Valuation adjustment	(2,016)	-	(2,016)
At 31 March 2009	15,528	929	16,457
Depreciation and impairment			
At 1 April 2008	-	-	-
Impairment charged in year	(1,197)	-	(1,197)
Valuation adjustment	1,197	-	1,197
At 31 March 2009	-	-	-
Net book value			
At 31 March 2009	15,528	929	16,457
At 31 March 2008	10,145	926	11,071

Housing properties book value, net of depreciation net book value comprises:

	2009 £'000	2008 £,000
Freehold land and buildings	929	773
Short leasehold land and buildings	15,528	10,298
	<u>16,457</u>	<u>11,071</u>

In valuing the housing properties, properties were valued at market value. Market value is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

This should be considered in accordance with the interpretive commentary set out in paragraph PS3.2 of the RICS appraisal standards.

The valuations have been completed broadly on the basis of comparable evidence.

The carrying value of the housing properties that would have been included in the financial statements had the assets been carried at historical cost less depreciation is as follows:

	2009 £'000	2008 £'000
Historical cost less depreciation	16,084	9,856
Total	<u>16,084</u>	<u>9,856</u>

Notes to the Financial Statements (continued)

7. Debtors: amounts due for payment within one year

	2009	2008
	£ '000	£ '000
Rent and service charge	30	100
Less bad debt provision	(13)	(54)
Other debtors	-	1
Amounts due from Group undertakings	<u>1,604</u>	<u>-</u>
	<u>1,621</u>	<u>47</u>

8. Creditors: amounts falling due within one year

	2009	2008
	£ '000	£ '000
Rent received in advance	30	20
Amounts due to group undertakings	19,406	6,000
Other creditors and accruals	336	87
	<u>19,772</u>	<u>6,107</u>

9. Creditors: amounts falling due after more than one year

	2009	2008
	£ '000	£ '000
Amount due to group undertakings	<u>-</u>	<u>4,472</u>

Notes to the Financial Statements (continued)

10. Share Capital

	2009	2008
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
51,000 Non Redeemable Preference shares of £1 each	51,000	51,000
Called up, issued and fully paid		
10 Ordinary shares of £1 each	10	10
51,000 5% Non redeemable preference shares of £1 each	51,000	51,000
	51,010	51,010

11. Reserves

	Revaluation reserve	Profit & Loss Account	Total
	£'000	£ '000	£ '000
As at 1 April 2008	1,215	(726)	489
Loss for the year	-	(1,282)	(1,282)
Revaluation deficit	(819)	-	(819)
Transfer of realised gain	(23)	23	-
Closing Shareholders' funds	373	(1,985)	(1,612)

Notes to the Financial Statements (continued)

12. Reconciliation of movements in Shareholders' Funds

	2009 £ '000	2008 £ '000
Opening Shareholders' funds	540	1,796
Total recognised loss	(2,101)	(1,256)
Closing Shareholders' funds	<u>(1,561)</u>	<u>540</u>

13. Related Party Disclosure

All of the company's voting rights are controlled within the group headed by A2Dominion Housing Group Limited.

The company has taken advantage of the exemption contained in FRS 8 not to disclose details of transactions or balances with entities that form part of the group as these transactions are eliminated in the consolidated accounts of the parent company.

14. Ultimate Holding Entity

The ultimate parent company and controlling entity is A2Dominion Housing Group Limited. The controlling entity is registered with the Tenant Services Authority (L4240) and is an Industrial and Provident Society (28985R). Copies of the consolidated financial statements are available from the head office of A2Dominion Housing Group Limited situated at Capital House, 25 Chapel Street, Paddington, London NW1 5WX.