

Kingsbridge Residential Limited

Report and Financial Statements

Year ended 31 March 2011



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Kingsbridge Residential Limited
Year ended 31 March 2011

Board of Management

C Buckley	Resigned 31 March 2011
J Czezowski	Resigned 31 March 2011
G Dibben	Resigned 31 March 2011
S Eggleton	Appointed 1 April 2011
B Jenner	Appointed 1 April 2011
D Joseph	Appointed 1 April 2011
J Knevett	
D Lewis	Appointed 1 April 2011
A Leahy	
D Mercer	
S Price	Resigned 31 March 2011
G Pryce	Resigned 31 March 2011
A Siow	Appointed 1 April 2010
T Sullivan	Resigned 31 March 2011
D Walden	Appointed 1 April 2011

Executive Officers

Group Chief Executive	D Mercer
Group Commercial Officer	J Knevett
Executive Director (Commercial South East)	J Allan
Executive Director (Corporate Services)	K Bull
Executive Director (Operations)	A Evans
Executive Director (Commercial London)	A Johnson
Executive Director (Finance & Strategy)	D Tufts
Executive Director (Financial Services)	A Waterhouse
Executive Director (New Business)	N Yeeles

Secretary

K Tromanhauser

Head Office

15 floor
Capital House
25 Chapel Street
London NW1 5WX

Bankers

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

Auditors

BDO LLP
Emerald House
East Street
Epsom
Surrey KT17 1HS

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

Devonshires
30 Finsbury Circus
London EC2M 7DT

Maclay Murray & Spens
One London Wall
London EC2Y 5AB

Report of the Directors

The directors present their report and the audited financial statements for the year ended 31 March 2011

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 £213k (2010 £354k restated 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 are disclosed on page 1 and none of the directors have interests in the shares of the Company.

Service contracts

Executive officers are employed by the ultimate parent undertaking, A2Dominion Housing Group Limited.

Statement of the directors' responsibilities for the report and 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 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 accounting 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 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.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Report of the Directors (continued)

Auditors

A resolution to re-appoint BDO LLP was proposed at the forthcoming annual general meeting

This report has been prepared in accordance with the special provisions for small companies under the Companies Act 2006

Approval

The Report of the Directors was approved on 22 September 2011 and signed on behalf of the Board by



K Tromanhauser
Secretary

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

We have audited the financial statements of Kingsbridge Residential Limited for the year ended 31 March 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholder's funds, the balance sheet, and the related notes. 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 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 statement of directors' responsibilities, 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 Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss 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 special provisions for small companies under the Companies Act 2006

Opinion on other matters 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, or

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

- the directors were not entitled to prepare the financial statements and the directors' report in accordance with small companies' regime

BDO WP

*Philip Rego (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom, Surrey
United Kingdom
Date 23.09.11*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Kingsbridge Residential Limited
Year Ended 31 March 2011

Profit and Loss Account

For the year ended 31 March 2011

	Note	2011 £'000	2010 As restated £'000
Turnover:	1	921	874
Operating expenses		(323)	(314)
Operating profit		<u>598</u>	<u>560</u>
 Interest payable	 2	 (811)	 (914)
Loss on ordinary activities before taxation		<u>(213)</u>	<u>(354)</u>
Tax on profit on ordinary activities	4	-	-
Loss on ordinary activities after taxation	9	<u>(213)</u>	<u>(354)</u>

All amounts relate to continuing activities

The notes on pages 9-13 form part of these financial statements

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2011

	Note	2011 £ '000	2010 As restated £ '000
Loss for the financial year		(213)	(354)
Gain on revaluation		700	-
Capital Contribution		<u>2,419</u>	<u>-</u>
Total gains and losses relating to the year		2,906	(354)
Prior year adjustment	10	<u>1,266</u>	<u>-</u>
Total recognised gains and losses since the last report		<u>4,172</u>	<u>-</u>

Reconciliation of movements in Shareholder's Funds

For the year ended 31 March 2011

	2011 £ '000	2010 As restated £ '000
At 31 March	(1,153)	(799)
Loss for the year	(213)	(354)
Revaluation gain	700	-
Capital Contribution	<u>2,419</u>	<u>-</u>
Closing Shareholders' funds	<u>1,753</u>	<u>(1,153)</u>

Balance Sheet

Company no: 4297708

As at 31 March 2011

	Note	2011 £ '000	2010 £ '000 As restated
Tangible fixed assets			
Investment Properties	5	19,020	18,320
Current assets			
Debtors	6	1,071	109
Cash at bank		93	104
		<u>1,164</u>	<u>213</u>
Creditors: Amounts falling due within one year	7	(18,431)	(19,686)
Net current liabilities		<u>(17,267)</u>	<u>(19,473)</u>
Net assets/(liabilities)		<u>1,753</u>	<u>(1,153)</u>
Capital and reserves			
Called up share capital	8	51	51
Profit and loss account	9	(133)	(2,339)
Revaluation Reserve	9	1,835	1,135
		<u>1,753</u>	<u>(1,153)</u>

The financial statements have been prepared in accordance with the special provisions for small companies under the Companies Act 2006

The financial statements were approved and authorised for issue by the Board of Directors on 22 September 2011 and signed on its behalf by


D Joseph
Director


B Jenner
Director

The notes on pages 9 – 13 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 accounting convention, with the exception of properties, which are held at valuation

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 on legal completion

Investment Properties

Investment properties are stated at market value, determined by professionally qualified external valuers. They are not depreciated in accordance with SSAP 19. This is a change in accounting policy from the previous year when the properties were classified as fixed asset properties and stated at historic cost. A prior year adjustment has been made and is explained in detail in note 10.

Revaluation Reserve

The difference between valuation of investment properties and the historic 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 at least 90% of the voting rights of the company are controlled within the group headed by A2 Dominion Housing Group Limited and the company is included in consolidated financial statements.

2. Interest Payable

	2011 £ '000	2010 £ '000
Paid to other Group Entities	<u>811</u>	<u>914</u>

Notes to the Financial Statements (continued)

3. 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

4. Taxation

Taxation charge for the year:

	2011 £'000	2010 £'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

	2011 £'000	2010 £'000 restated
Loss on ordinary activities before taxation	(213)	(354)
Theoretical tax at UK corporation tax rate 28% (2010 28%)		
Effects of	(60)	(99)
-Expenses not deductible for tax purposes	-	-
-Chargeable gains	-	-
-Group relief claimed	60	99
Actual current taxation charge	-	-

Notes to the Financial Statements (continued)

5. Tangible Fixed Assets

Investment properties

	£'000
Cost	
At 31 March 2010	18,382
Prior year adjustment	(62)
As at 31 March 2010 restated	<u>18,320</u>
Revaluation	700
At 31 March 2011	<u>19,020</u>
Depreciation and impairment	
At 31 March 2010	1,328
Prior year adjustment	<u>(1,328)</u>
As at 31 March 2010 restated	-
At 31 March 2011	<u>-</u>
Net book value	
At 31 March 2011	<u>19,020</u>
At 31 March 2010	<u>18,320</u>

Investment properties book value, at valuation comprises:	2011 £'000	2010 £'000 restated
Freehold land and buildings	19,020	18,320
Short leasehold land and buildings	-	-
	<u>19,020</u>	<u>18,320</u>

Investment properties have been valued at 31 March 2011 by Campsie Commercial Limited, professional external valuers. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Properties have been valued at Market Value.

Notes to the Financial Statements (continued)

6. Debtors: amounts due for payment within one year

	2011 £ '000	2010 £ '000
Rent and service charge	123	131
Other debtors	9	-
Less bad debt provision	(98)	(65)
	<u>34</u>	<u>66</u>
Amounts due from Group undertakings	1,037	43
	<u>1,071</u>	<u>109</u>

7. Creditors: amounts falling due within one year

	2011 £ '000	2010 £ '000
Rent received in advance	63	38
Amounts due to group undertakings	18,349	19,635
Other creditors and accruals	19	13
	<u>18,431</u>	<u>19,686</u>

8. Share Capital

	2011 £	2010 £
Authorised		
100 Ordinary shares of £1 each	100	100
51,000 5% Non redeemable preference shares of £1 each	51,000	51,000
	<u></u>	<u></u>
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
	<u>51,010</u>	<u>51,010</u>

Notes to the Financial Statements (continued)

9. Reserves

	Revaluation Reserve	Profit & Loss Account	Total
	£'000	£ '000	£ '000
At 31 March 2010	-	(2,470)	(2,470)
Prior period adjustment	1,135	131	1,266
At 31 March 2010 restated	<u>1,135</u>	<u>(2,339)</u>	<u>(1,204)</u>
Revaluation	700	-	700
Loss for the year	-	(213)	(213)
Capital Contribution	-	2,419	2,419
Closing Shareholders' funds	<u>1,835</u>	<u>(133)</u>	<u>1,702</u>

10. Prior Period Adjustment

The prior period adjustment arises from the properties being reclassified as investment properties and therefore held at valuation. As a consequence the closing amount of fixed assets as at 31 March 2010 was restated with a corresponding adjustment to revaluation reserve. The impact is shown in notes 5 and 9.

11. 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 entities are 100% controlled by the Group.

12. 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.