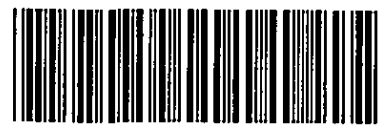


**Report of the Directors and  
Financial Statements  
for the Period  
15 December 2009 to 31 March 2011  
for  
Wokingham Enterprises Limited**

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**Wokingham Enterprises Limited (Registered number: 07105213)**

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for the Period 15 December 2009 to 31 March 2011**

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**Wokingham Enterprises Limited**  
**Company Information**  
**for the Period 15 December 2009 to 31 March 2011**

**DIRECTORS:** J R Pike  
Ms J E McGivern  
A Moulton  
K I McKenzie  
A J Auty  
Mrs P A Jorgensen

**REGISTERED OFFICE:** Civic Offices  
Shute End  
Wokingham  
Berkshire  
RG40 1BN

**REGISTERED NUMBER:** 07105213 (England and Wales)

**SENIOR STATUTORY  
AUDITOR:** Andrew Beet FCA

**AUDITORS:** Rice Associates Limited  
Registered Auditors  
3-4 Market Chambers  
Market Place  
Wokingham  
Berkshire  
RG40 1AL

**Wokingham Enterprises Limited (Registered number. 07105213)**

**Report of the Directors  
for the Period 15 December 2009 to 31 March 2011**

The directors present their report with the financial statements of the company for the period 15 December 2009 to 31 March 2011

**INCORPORATION**

The company was incorporated on 15 December 2009 and commenced trading on 24 June 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of Property Investment

**DIRECTORS**

The directors who have held office during the period from 15 December 2009 to the date of this report are as follows

G M Ebers - appointed 15 December 2009 - resigned 4 May 2010  
C R Dove-Dixon - appointed 15 December 2009 - resigned 1 February 2011  
J R Pike - appointed 5 January 2011  
Ms J E McGivern - appointed 5 January 2011  
A K Allum - appointed 5 January 2011 - resigned 9 February 2011  
S E George - appointed 27 April 2010 - resigned 5 January 2011  
A Moulton - appointed 6 May 2010  
K I McKenzie - appointed 3 February 2011

A J Auty and Mrs P A Jorgensen were appointed as directors after 31 March 2011 but prior to the date of this report

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting

**STATEMENT OF GOING CONCERN**

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its exposure to liquidity and cash flow risks have been considered by the directors

The directors have revalued the company's investment property at £8,719,179 at 31st March 2011 leading to a debit to the revaluation reserve of £696,387 which in addition to the Loss of £53,891 incurred leads to a balance sheet deficit of £747,278 The directors are of the opinion that the fall in the value of the property is temporary and that subsequent to the development of Wokingham town centre the value will be greater than the original cost of £9,415,566

On 4th May 2010 Wokingham Borough Council Executive held an extraordinary meeting at which it was agreed that "Whilst Wokingham Enterprises Limited remains a wholly owned company of Wokingham Borough Council a) the Council fund the operating losses of Wokingham Enterprises Limited from its working balances and charge Wokingham Enterprises Limited at a rate of average borrowing rate for the Council times average operating balance of the company (to be determined by the General Manager of Business Services) b) the Council acts as guarantor for any losses and liabilities in respect of Wokingham Enterprises Limited "

On the basis of this the Executive decision and the commitment of Wokingham Borough Council to the redevelopment of Wokingham town centre, in the opinion of the directors the company with the support of the Council has sufficient financial resources to manage its financial risks successfully for the foreseeable future, being 12 months from the date of the approval of the financial statements Accordingly, they continue to adopt the going concern basis in preparing the financial statements

**Report of the Directors  
for the Period 15 December 2009 to 31 March 2011**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

Andrew Beet FCA of Rice Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



K I McKenzie - Director

17 August 2011

**Report of the Independent Auditors to the Shareholders of  
Wokingham Enterprises Limited**

We have audited the financial statements of Wokingham Enterprises Limited for the period ended 31 March 2011 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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 set out on pages two and three, 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 Ethical Standards for Auditors.

**Scope of the audit of the 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 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 period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Going Concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 15 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss £53,891 and a debit to the revaluation reserve of £696,387 during the period ended 31 March 2011 and at that date the company had a balance sheet deficit of £747,278. These conditions, along with the other matters explained in note 15 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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

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

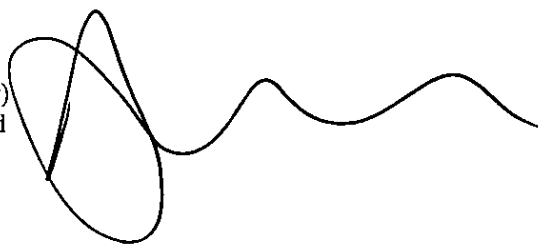
**Report of the Independent Auditors to the Shareholders of  
Wokingham Enterprises Limited**

**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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors

Andrew Beet FCA (Senior Statutory Auditor)  
For and on behalf of Rice Associates Limited  
Statutory Auditor  
Market Chambers  
3-4 Market Place  
Wokingham  
Berkshire  
RG40 1AL

A handwritten signature in black ink, consisting of a large, stylized loop followed by a series of smaller, connected loops and a final horizontal stroke.

17 August 2011

**Wokingham Enterprises Limited (Registered number: 07105213)**

**Profit and Loss Account  
for the Period 15 December 2009 to 31 March 2011**

	Notes	£
<b>TURNOVER</b>		10,491
Administrative expenses		<u>179,005</u>
		(168,514)
Other operating income		<u>439,230</u>
<b>OPERATING PROFIT</b>	2	270,716
Interest payable and similar charges		<u>324,607</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(53,891)
Tax on loss on ordinary activities	3	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u><u>(53,891)</u></u>

The notes form part of these financial statements



**Wokingham Enterprises Limited (Registered number: 07105213)**

**Statement of Total Recognised Gains and Losses  
for the Period 15 December 2009 to 31 March 2011**

	£
<b>LOSS FOR THE FINANCIAL PERIOD</b>	(53,891)
Property Revaluation Reserve	<u>(696,387)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD</b>	<u><u>(750,278)</u></u>

The notes form part of these financial statements

Wokingham Enterprises Limited (Registered number: 07105213)

Balance Sheet  
31 March 2011

	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	4		8,719,179
<b>CURRENT ASSETS</b>			
Debtors	5	39,372	
Cash at bank and in hand		461,054	
		<u>500,426</u>	
<b>CREDITORS</b>			
Amounts falling due within one year	6	942,623	
		<u>942,623</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(442,197)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,276,982</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	7		9,024,260
			<u>9,024,260</u>
<b>NET LIABILITIES</b>			<u>(747,278)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9		3,000
Revaluation reserve	10		(696,387)
Profit and loss account	10		(53,891)
			<u>(747,278)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(747,278)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on 17 August 2011 and were signed on its behalf by



K I McKenzie - Director

The notes form part of these financial statements

Notes to the Financial Statements  
for the Period 15 December 2009 to 31 March 2011

1 ACCOUNTING POLICIES

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax

2 OPERATING PROFIT

The operating profit is stated after charging

Auditors' remuneration	£ 5,000
Directors' remuneration and other benefits etc	16,219

3 TAXATION

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period

4 TANGIBLE FIXED ASSETS

	Land and buildings £
<b>COST OR VALUATION</b>	
Additions	9,415,566
Revaluations	(696,387)
At 31 March 2011	<u>8,719,179</u>
<b>NET BOOK VALUE</b>	
At 31 March 2011	<u>8,719,179</u>

At 31st March 2011, the directors revalued the investment properties at their open market value. The historical cost of the investment properties was £9,415,566

The value of these assets held for use in operating leases was £8,719,179

Cost or valuation at 31 March 2011 is represented by

	Land and buildings £
Valuation in 2011	(696,387)
Cost	9,415,566
	<u>8,719,179</u>

Notes to the Financial Statements - continued  
for the Period 15 December 2009 to 31 March 2011

4 TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	£
Cost	9,415,566
Aggregate depreciation	<u>696,387</u>
Value of land in freehold land and buildings	<u>8,719,179</u>

Freehold land and buildings were valued on an open market basis on 31 March 2011 by the directors

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	37,095
Other debtors	<u>2,277</u>
	<u>39,372</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amounts owed to group undertakings	376,011
Taxation and social security	45,379
Other creditors	<u>521,233</u>
	<u>942,623</u>

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	£
Other creditors	<u>9,024,260</u>
Amounts falling due in more than five years	
Repayable by instalments	
Other loans more 5yrs instal	<u>7,664,725</u>

8 SECURED DEBTS

The following secured debts are included within creditors

	£
Legal Charge	<u>9,705,515</u>

Wokingham Borough Council hold a Legal Charge on the Investment Properties to the value of £9,705,515

Notes to the Financial Statements - continued  
for the Period 15 December 2009 to 31 March 2011

9 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			
Number	Class	Nominal value	£
3,000	Ordinary	1 00	<u>3,000</u>

3,000 Ordinary shares of 1 00 each were allotted and fully paid for cash at par during the period

10 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
Deficit for the period	(53,891)		(53,891)
Property Revaluation	-	(696,387)	(696,387)
At 31 March 2011	<u>(53,891)</u>	<u>(696,387)</u>	<u>(750,278)</u>

11 TRANSACTIONS WITH DIRECTORS

The Fees paid to Directors during the period were as follows  
Ms J E McGivern £12,444 and Mr J R Pike £3,775

12 RELATED PARTY DISCLOSURES

The company had expenditure with Wokingham Borough Council for support services and Interest on the Loan for the Investment Properties totalling £381,542

The sums owed to Wokingham Borough Council at 31st March 2011 were, Capital £9,400,271 and Interest £324,503

13 ULTIMATE CONTROLLING PARTY

Wokingham Borough Council holds 100% of the Issued Share Capital of the company

14 INVESTMENT PROPERTIES

Investment properties are revalued annually at their open market value in accordance with FRSSE, Accounting for investment properties. The surplus or deficit on revaluation is transferred to a revaluation reserve except where the deficit (or its reversal) on an individual investment property is considered to be permanent, in which case it is taken to the profit and loss account

No depreciation is provided on investment properties, which is a departure from the requirements of the Companies Act 2006. In the opinion of the directors, these properties are held primarily for their investment potential and so the current value is of more significance than any measure of consumption and to depreciate them would not give a true and fair view. The provisions of FRSSE in respect of investment properties have therefore been adopted in order to give a true and fair view. If this departure from the Companies Act 2006 had not been made, the loss for the period would have been increased by depreciation. However, the amount of depreciation cannot be reasonably quantified

**Wokingham Enterprises Limited (Registered number: 07105213)**

**Notes to the Financial Statements - continued  
for the Period 15 December 2009 to 31 March 2011**

**15 GOING CONCERN**

The company incurred a net loss of £53,891 and a debit to the revaluation reserve of £696,387 during the period ended 31 March 2011 and at that date the company had a balance sheet deficit of £747,278

The company is wholly reliant on support from its sole shareholder, Wokingham Borough Council (WBC). On the basis of forecasts, it appears unlikely that the company will generate sufficient cash to meet the obligations to WBC regarding the repayment of capital and the payment of interest on the loan.

On 4th May 2010 Wokingham Borough Council Executive held an extraordinary meeting at which it was agreed that "Whilst Wokingham Enterprises Limited remains a wholly owned company of Wokingham Borough Council a) the Council fund the operating losses of Wokingham Enterprises Limited from its working balances and charge Wokingham Enterprises Limited at a rate of average borrowing rate for the Council times average operating balance of the company (to be determined by the General Manager of Business Services) b) the Council acts as guarantor for any losses and liabilities in respect of Wokingham Enterprises Limited "

On the basis of this Executive decision and the commitment of WBC to the redevelopment of Wokingham town centre, the directors are of the opinion that WBC will continue to support the company in order to ensure that it has sufficient financial resources for the foreseeable future, being 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**16 WOKINGHAM BOROUGH COUNCIL**

The company's results are included in the consolidated financial statements of Wokingham Borough Council, which are publicly available. A copy of these financial statements can be obtained from the internet site <http://www.wokingham.gov.uk/council/plans/key-strategies/statement-of-accounts/>