

Registered office

Longwood Park Limited

Parkside House
33 - 39 Sheet Street
Windsor
Berkshire SL4 1BY

T. 01753 777444
F. 01753 777499

Registered under the Industrial and Provident Societies Act 1965 No 29326R

Registered by The Housing Corporation No. L4374

Member of the National Housing Federation



Longwood Park Limited

Financial Statements

For the year ended

31 March 2008



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Board of Management Report

The Board of Management is pleased to present its report and the audited financial statements for Longwood Park for the year ended 31 March 2008.

Principal Activities

The principal activity of Longwood Park is the management and regeneration of the Common Road estate in Slough.

Review of the Year

The financial results for the year show a deficit of £76,000 compared to last year's deficit of £82,000.

Longwood Park is a subsidiary of Radian Group Ltd. The Group was formed with a view to benefiting from the efficiencies available and it is re-investing the resulting savings in improving tenant and client services. It is currently implementing new computer systems to provide an improved customer service.

Longwood Park received its first Audit Commission Inspection in April 2007. The outcome of the inspection was a 2 star rating with excellent prospects for improvement.

Since then Longwood has undertaken a Status Survey which confirmed extremely high levels of satisfaction amongst residents on the estate.

The £30m regeneration of the estate was completed at the end of 2007, when the keys for the last new build property were handed over. In recognition of the success of the regeneration, HRH The Duke of Edinburgh visited the estate in March 2008 and received a presentation on the transformation of Longwood from a run down Council estate to a vibrant resident-led community.

The Community Board is currently consulting with all residents about their priorities for the forthcoming year, so that the Boards can continue to put resident priorities at the heart of their work.

The Board of Management

The Board of Management is responsible for managing the affairs of Longwood Park. Members are drawn from a wide background bringing together professional, commercial and local experience, with two resident members.

The Board of Management at 31 March 2008 was as follows:-

Trust Board Members:

- Geoffrey Webster, Chair
- Heather Langham, Vice Chair
- Susan Bews
- Cathy Cramman
- Jonathan Griffin

Susan Bews, Cathy Cramman and Geoffrey Webster were appointed on 17 October 2007, 11 December 2007 and 7 March 2008 respectively. Marian Green and Jackie Ronson resigned on 18 and 26 October 2007 respectively and Gareth Chick resigned on 20 March 2008.

Community Board Members:

- Marian Green, Chair
- Malcolm Nightingale, Vice Chair
- Marie Andrew
- Cathy Cramman
- Jim Doyle
- Roy Gibson
- Michael Green
- Charles Langham
- Heather Langham
- Paul Mintram

It is with great regret that the Board learned of the death of Dev Sahdev in February 2008.

Internal Control

The Board acknowledges its ultimate responsibility for establishing and maintaining the whole system of internal controls that is appropriate to the various business environments in which it operates and for reviewing effectiveness of those controls. This applies to all companies and subsidiaries within Radian Group. These controls are designed to give reasonable assurance in respect of:

- The reliability of financial and operational information used within the Group or for publication;
- The maintenance of proper accounting records, and
- The safeguarding of assets against unauthorised use or disposal.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the group's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls that are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the Group is exposed as incorporated in the Housing Corporation's "Circular 07/07 – Internal Controls Assurance".

The process adopted by the Board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

- **Identification and evaluation of key risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of the Group's activities. The process is co-ordinated through a regular reporting framework by the Group Audit Committee. The Executive Team regularly considers reports on significant risks facing the Group and the Director of Corporate Services reports to the Board any significant changes affecting key risks.

- **Monitoring and corrective action**

A process of control self-assessment along with regular management reporting on control issues (throughout the Group) provides assurance to successive levels of management and to the Board. This includes a formal procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

- **Control environment and control procedures**

The Board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues. The Board has adopted the "Code of Governance Competence and Accountability 2004" and complies in all areas but one where we allow some Members to remain on Boards beyond three terms of three years. The Standing Orders set out the Group's policies with regard to the quality, integrity and ethics of its employees and Board Members. A framework of policies and procedures with which employees must comply support these. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud prevention and detection. Annual employee appraisal procedures maintain standards of performance

- **Information and financial reporting systems**

Forecasts and budgets are prepared which allow the Board and Management to monitor the key financial objectives and progress towards achieving financial plans set for the year and the medium term. Regular management accounts and key performance indicators are prepared, providing reliable and up-to-date financial and other information with significant variances investigated and reported as appropriate.

- **New Business**

All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, either through the Executive Appraisal Panel, the New Business Committee or the Board.

- **Group Audit Committee**

The Group Audit Committee reviews reports from Management, internal auditors and external auditors to provide reasonable assurance that the control procedures are in place and are being followed. This includes a regular review of the major risks facing the Group. The Group Audit Committee makes regular reports to the Board.

- **Fraud**

Radian is developing a Group approach to fraud prevention following recommendations from the internal auditors. A Group Anti-Fraud and Policy will be adopted covering prevention, detection and reporting of fraud and the recovery of assets. The Board, via the Group Audit Committee, has reviewed the fraud register. A Group Whistleblowing policy has been approved and adopted.

The internal control framework and the risk management process are subject to regular review by Internal Auditors who are responsible for providing independent assurance to the Board via the Group Audit Committee. The Internal Auditors have confirmed that for the 12 months ended 31st March 2008 Radian has adequate and effective control and governance processes to manage the achievement of the Group's objectives. The Group Audit Committee considers control and risk at each of its meetings during the year.

The Board (as well as the Group Audit Committee and subsidiary Boards) has conducted its annual review of the effectiveness of the system of internal controls and has taken account of any changes needed to maintain the effectiveness of the risk management and controls process.

The Board confirms that a process of integrating the risk policies of the Group parent and its subsidiaries is at a sufficiently advanced stage for the Group's Internal Auditors to have given assurance to the Group Audit Committee and the Board.



Statement of Disclosure to Auditors

At the date of making this report, each of the Board members confirms the following:

- a) So far as the Board members are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) They have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Deloitte & Touche LLP were appointed to fill a casual vacancy during the year and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board of Management

Geoffrey Webster
Chair
10 July 2008



Statement of Board Members' Responsibilities in Respect of the Board Report and Financial Statements

The Board Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Industrial & Provident Society legislation requires the Board Members to prepare financial statements for each financial year. Under that law the Board Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 Board Members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board Members are responsible for keeping proper accounting records that 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 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.

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

Independent Auditors' Report to the Members of Longwood Park Limited

We have audited the financial statements of Longwood Park Limited for the year ended 31 March 2008 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the society's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board Members and auditors

The Board Members' responsibilities for preparing the Annual Report and 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 Board Members' 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 are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

We also report to you if, in our opinion, the Board Members' report is not consistent with the financial statements, if the society has not kept proper accounting records, if a satisfactory system of control over transactions has not been maintained or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgments made by the Board Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the society'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.

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 society's affairs as at 31 March 2008 and of its deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Southampton
United Kingdom

7 August 2008

Income and Expenditure Account

Year ended 31 March 2008

		2007/08	2006/07
	Notes	£'000	£'000
Turnover	2	1,579	1,273
Operating costs	2	(1,541)	(1,390)
Surplus/(Deficit) on Ordinary Activities before taxation	2, 3	38	(117)
Tax on surplus/(deficit) on ordinary activities	4	(114)	35
Deficit on Ordinary Activities for the year		(76)	(82)

The Notes on pages 10 to 17 form part of these financial statements.

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The movement on accumulated reserves is set out in Note 12 to the financial statements.

There are no recognised gains or losses other than those set out above, and accordingly no Statement of Total Recognised Surpluses and Deficits is presented.

Balance Sheet

As at 31 March

	Notes	2008 £'000	2007 £'000
Fixed Assets			
Other fixed assets	7	11	15
Total fixed assets		11	15
Current Assets			
Debtors	8	51	172
Cash at bank and in hand	9	134	109
		185	281
Creditors: Amounts falling due within one year	10	(508)	(532)
Net Current Liabilities		(323)	(251)
Total Assets less current liabilities		(312)	(236)
Capital & Reserves			
Called up share capital	11	-	-
Revenue reserve	12	(312)	(236)

The Notes on pages 10 to 17 form part of these financial statements.

The financial statements on pages 8 to 17 were approved by the Board on 10 July 2008 and signed on its behalf by:

G Webster
Chair

J Griffin
Board Member

L Fowler
Secretary

Notes to the Financial Statements

Note 1 - Accounting Policies

Legal Status

Longwood Park is registered under the Industrial & Provident Societies Act 1965 and is registered with The Housing Corporation as a social landlord.

Basis of Preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting by Registered Social Landlords Update 2005, in accordance with the Accounting Requirement for Registered Social Landlords General Determination 2006 and the Industrial & Provident Societies Acts 1965 to 2002.

The principal accounting policies are set out below.

Under Financial Reporting Standard 1 Longwood Park Limited is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes Longwood Park in its own consolidated financial statements.

As Longwood Park Limited is a wholly owned subsidiary of Radian Group Limited, it has taken advantage of the exemption contained in FRS8 and therefore has not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Radian Group Limited, within which Longwood Park Limited is included, can be obtained from Companies House.

Turnover

Turnover represents rental and service charge income receivable.

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 FRS19, deferred tax is not provided for gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over. 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. Deferred tax assets and liabilities are not discounted.

Major Repairs

Under the transfer agreement and the lease with Windsor & District Housing Association Limited (WDHA), Longwood Park has the responsibility to effect any repairs outside the scope of the regeneration project. It is the policy of Longwood Park to expense major repair works in the accounting period in which they arise.

Housing Properties held for letting

All housing properties held for letting are subject to long lease from WDHA. The lease gives Longwood Park the option to purchase the properties following the completion of the regeneration works.

The financial obligation for investing in the regeneration of the estate rests with WDHA under the terms of the transfer agreement. As such the assets and liabilities of property ownership are included in the financial statements of WDHA.

Social Housing Grant

Social Housing Grant (SHG) is receivable from The Housing Corporation and is utilised to reduce the capital costs of housing properties, including land costs. The total amount of Social Housing Grant received and receivable in relation to the regeneration project is paid across to Windsor Housing, acting as developer to fund the construction of new properties which will be subject to a lease to Longwood Park.

Depreciation

Depreciation is charged on a straight line basis over the expected useful economic lives of fixed assets at the following rates:

- | | |
|------------------------------------|-----------|
| • Furniture, Fixtures and Fittings | 5 years |
| • Computers | 3-5 years |

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account in the period to which they relate.

Notes to the Financial Statements - continued

Note 2 - Particulars of turnover, cost of sales, operating costs and operating surplus

	2007/08			2006/07		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating costs	Operating (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Social Housing lettings	1,559	1,537	22	1,253	1,368	(115)
Other Social Housing Activities	20	4	16	20	22	(2)
Operating Deficit	1,579	1,541	38	1,273	1,390	(117)

Particulars of income and expenditure from social housing lettings

	2007/08 General Needs Housing	2006/07 General Needs Housing
	£'000	£'000
Income from lettings		
Rent receivable net of identifiable service charges	1,416	1,123
Service income	143	130
Net Rental Income	1,559	1,253
Turnover from Social Housing lettings	1,559	1,253
Expenditure on Social Housing lettings		
Services	74	67
Management	305	353
Routine maintenance	159	145
Bad debts	22	16
Major repairs expenditure	24	33
Operating lease rental	953	754
Operating Costs on Social Housing lettings	1,537	1,368
Operating Surplus/(Deficit) on Social Housing lettings	22	(115)
Void losses	(10)	(8)

Notes to the Financial Statements – continued

Note 2 - continued

Accommodation in management

	2007/08 £'000	2006/07 £'000
General needs	337	309
Leaseholders	4	4
Total	341	313

Note 3 - Surplus on ordinary activities before taxation

	2007/08 £'000	2006/07 £'000
Surplus on Ordinary Activities before Taxation is stated after charging		
Depreciation of tangible fixed assets	4	3
Operating lease rental - land and buildings	953	754
Auditors' remuneration: in their capacity as auditors	2	1

Note 4 - Taxation

	2007/08 £'000	2006/07 £'000
Current Tax		
United Kingdom corporation tax @ 30% (2007: 30%)	-	-
Current Tax Charge	-	-
Deferred Tax		
Adjustments to the estimated recoverable amounts of deferred tax arising in previous periods	114	-
Origination and reversal of timing differences	-	(35)
Taxation (credit) on surplus/deficit on ordinary activities	114	(35)

Factors Affecting the Tax Charge for the Year

The tax assessed for the period is lower than (2007: higher than) the standard rate of corporation tax in the UK.

Surplus/(Deficit) on ordinary activities before taxation	38	(117)
Tax on surplus/(deficit) on ordinary activities at 30% (2007: 30%)	11	(35)

Effects of:

Expenses not deductible for tax purposes	1	-
Capital allowances in excess of depreciation	5	1
Movement in short term timing differences	6	-
Utilisation of tax losses	(23)	-
Losses available to carry forward	-	-
	-	(34)

Current Tax Charge

- -

A deferred tax asset has not been recognised in respect of timing differences relating primarily to losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £93,239 (2007: nil). The asset would be recovered if there are sufficient and suitable future profits.

Notes to the Financial Statements - continued

Note 5 - Directors' Emoluments

The remuneration paid to the Directors and Executives of Longwood Park (the Board of Management and the Executive Team) was:

	2007/08 £	2006/07 £
Neither the Board nor the Executive management team received any emoluments (2006/07: nil)		
Board member expenses	2,203	1,501

Note 6 - Staff costs

The average number of employees expressed in FTE (including the Chief Executive) during the period was:

	2007/08	2006/07
Office staff	4	3
	4	3

	2007/08 £'000	2006/07 £'000
Staff Costs (for the above employees)		
Wages and salaries	107	69
Social security costs	10	6
Other pension costs	1	5
	118	80

Notes to the Financial Statements - continued

Note 7 - Tangible fixed assets

	Housing Properties Held for Letting	Sub Total	Fixtures & Fittings	Computers	Sub Total	Total
	£,000	£,000	£,000	£,000	£,000	£,000
Cost						
At 1 April 2007	-	-	19	6	25	25
Additions	-	-	-	-	-	-
At 31 March 2008	-	-	19	6	25	25
Social Housing Grant						
Received in prior years	8,927	8,927	-	-	-	8,927
Paid to Windsor & District Housing Association in prior years	(8,927)	(8,927)	-	-	-	(8,927)
At 1 April 2007	-	-	-	-	-	-
At 31 March 2008	-	-	-	-	-	-
Accumulated Depreciation						
At 1 April 2007	-	-	5	5	10	10
Charge for the year	-	-	3	1	4	4
At 31 March 2008	-	-	8	6	14	14
Net Book Values at 31 March 2008	-	-	11	-	11	11
Net Book Values at 31 March 2007	-	-	14	1	15	15

The Social Housing Grant received in prior periods from The Housing Corporation was paid to Windsor & District Housing Association under an Obligation Agreement.

In the unlikely event of The Housing Corporation requiring that the grant be repaid, Windsor & District Housing Association is required under the Obligation Agreement to return the monies to Longwood Park to enable repayment to be made.

Notes to the Financial Statements - continued

Note 8 - Debtors

	2008 £'000	2007 £'000
Rent and service charges receivable	108	248
Less: Provision for bad and doubtful debts	(57)	(191)
	51	57
Deferred Tax (Note 15)	-	114
Other debtors	-	1
	51	172

All amounts are due within one year.

Note 9 - Cash at bank and short term investments

	2008 £'000	2007 £'000
Cash at bank and in hand	134	109
	134	109

Note 10 - Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Rent received in advance	49	39
Amounts due to group undertakings	274	373
Other creditors	185	120
	508	532

Notes to the Financial Statements - continued

Note 11 - Share capital

Shares of £1 each authorised, issued and fully paid

	2008 £	2007 £
Shares of £1 each		
Issued and fully paid at 1 April 2007	4	4
Shares in issue at 31 March 2008	4	4

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends, redemption of share capital or distributions on a winding up.

Note 12 - Reserves

	Revenue Reserve £'000
As at 1 April 2007	(236)
Deficit for the year	(76)
As at 31 March 2008	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (312)

Note 13 - Ultimate parent undertaking

At 31 March 2008 Longwood Park's ultimate parent undertaking and ultimate controlling party was Radian Group Limited.

Radian Group Limited is the parent of both the largest and smallest group into which Longwood Park Limited is consolidated.

Radian Group Limited is a Registered Social Landlord.

Consolidated accounts have been prepared separately for the Group as at 31 March 2008 and are available at Companies House.

Notes to the Financial Statements - continued

Note 14 - Operating leases and capital commitments

	2008 £'000	2007 £'000
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The payments which Longwood Park is committed to make in the next year under operating leases are as follows:

Property

Leases which expire in over five years	1,048	953
	1,048	953

There are no capital commitments at the year end (2007: nil)

Note 15 - Deferred tax asset

	2008 £'000	2007 £'000
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Balance at 1 April 2007	114	79
(Charged)/credited to Income and Expenditure Account	(114)	35
	-	114

The amounts provided in 2007, which also represent the total potential asset in 2007 are as follows:

Accelerated capital allowances	-	2
Losses	-	112
	-	114