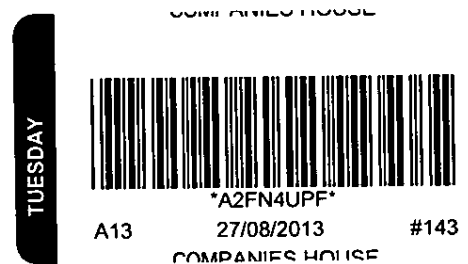


**Report of the Directors and
Financial Statements for the Year Ended 30 November 2012
for
VSM (Uxbridge 7) Limited**



**Contents of the Financial Statements
for the Year Ended 30 November 2012**

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VSM (Uxbridge 7) Limited
Company Information
for the Year Ended 30 November 2012

DIRECTORS:

W A Oliver
D W Bowler
M E Dunn

REGISTERED OFFICE:

Sir Stanley Clarke House
7 Ridgeway
Quinton Business Park
Birmingham
West Midlands
B32 1AF

REGISTERED NUMBER:

05851862 (England and Wales)

AUDITORS:

Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

**Report of the Directors
for the Year Ended 30 November 2012**

The directors present their report with the financial statements of the company for the year ended 30 November 2012

PRINCIPAL ACTIVITY

The principal activity of the company is that of property investment. The directors consider that the result and future prospects are satisfactory. No changes are envisaged.

DIVIDENDS

The directors do not recommend payment of a final dividend (2011 £nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2011 to the date of this report

W A Oliver
D W Bowler
M E Dunn

None of the directors had any interest in the shares of the company

During the year, VSM Estates Limited transferred ownership of the company to VSM Estates (Uxbridge) Limited

The company remains ultimately jointly owned by St Modwen Properties PLC and Vinci Investments Limited

GOING CONCERN

The company is reliant on the support of its ultimate joint controlling parent company, St Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of accounts on a going concern basis.

DIRECTORS' INDEMNITIES

For the financial year ended 30 November 2012 qualifying third party indemnity provisions (provided by the ultimate controlling parent company St Modwen Properties PLC) were in force for the benefit of all the directors of the company and these remain in force at the date of this report.

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.

**Report of the Directors
for the Year Ended 30 November 2012**

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each director at the date of approval of this report confirms that

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITORS

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 30 November 2012 and have expressed a willingness to remain in office. Arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an 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:



W A Oliver - Director

Date 20 / 8 / 13

**Report of the Independent Auditors to the Members of
VSM (Uxbridge 7) Limited**

We have audited the financial statements of VSM (Uxbridge 7) Limited for the year ended 30 November 2012 which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 15. 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 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 page two, 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 November 2012 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 requirements of the Companies Act 2006.

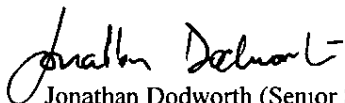
Opinion on other matter prescribed by the Companies Act 2006

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.

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 take advantage of the small companies' exemption in preparing the Report of the Directors.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

Date

22 August 2013

**Profit and Loss Account
for the Year Ended 30 November 2012**

	Notes	2012 £	2011 £
TURNOVER		-	-
OPERATING PROFIT	4	-	-
Interest payable and similar charges	5	(33,026)	(116,401)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(33,026)	(116,401)
Tax on loss on ordinary activities	6	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(33,026)</u>	<u>(116,401)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 November 2012**

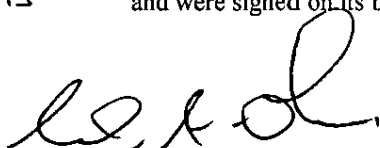
	2012 £	2011 £
LOSS FOR THE FINANCIAL YEAR	(33,026)	(116,401)
Unrealised revaluation surplus	5,423,384	148,014
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	5,390,358	31,613
	<hr/>	<hr/>

The notes form part of these financial statements

Balance Sheet
30 November 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	1,477,671	5,341,401
CURRENT ASSETS			
Debtors	8	4,102,015	1
CREDITORS			
Amounts falling due within one year	9	-	(230,910)
NET CURRENT ASSETS/(LIABILITIES)		<u>4,102,015</u>	<u>(230,909)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,579,686	5,110,492
CREDITORS			
Amounts falling due after more than one year	10	-	(4,921,164)
NET ASSETS		<u>5,579,686</u>	<u>189,328</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Revaluation reserve	12	830,794	1,029,732
Profit and loss account	12	4,748,891	(840,405)
SHAREHOLDERS' FUNDS	15	<u>5,579,686</u>	<u>189,328</u>

The financial statements were approved and authorised for issue by the Board of Directors on
20 / 8 / 13 and were signed on its behalf by



W A Oliver - Director

**Notes to the Financial Statements
for the Year Ended 30 November 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom company law and accounting standards

Compliance with SSAP 19 "Accounting for investment properties" requires departure from the Companies Act 2006 relating to depreciation and an explanation of the departure is given below

The accounting policies have been applied consistently throughout the year and the preceding year. The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed "Going concern" in the directors' report

Cash flow statement

The company is a 100% subsidiary of VSM Estates Uxbridge (Group) Limited. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement

Tangible fixed assets and depreciation

Depreciation is not provided on investment properties which are subject to annual revaluations

Investment properties

Investment properties are revalued annually. Surplus or deficits on individual properties are transferred to the revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit is charged/(credited) to the profit and loss account

No depreciation is provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principal set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Interest

Leasehold assets on deferred payment terms are recorded at their fair value at the date of acquisition. The discount to nominal value is amortised over the period of the credit term and charged to interest cost

Notes to the Financial Statements - continued
for the Year Ended 30 November 2012

2 STAFF COSTS

The company had no employees (2011 nil) and is managed by its joint owners, St Modwen Properties PLC and Vinci Investments Limited

3 INFORMATION REGARDING DIRECTORS

None of the directors received any remuneration during the year (2011 - £nil) The remuneration of the directors is paid by other group undertakings for both the current financial year and the prior financial year and no part of their remuneration is specifically attributable to their services to this company

4 OPERATING PROFIT

Auditors' remuneration was borne by VSM Estates Limited The fee payable for audit of the financial statements was £1,700 (2011 £1,665) and the fee payable for tax services was £150 (2011 £120)

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Discount unwind on deferred payments	33,026	116,401

6 TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 30 November 2012 nor for the year ended 30 November 2011

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	2012	2011
	£	£
Loss on ordinary activities before tax	(33,026)	(116,401)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.670% (2011 - 26.670%)	(8,148)	(31,044)
Effects of Disallowed expenditure	8,148	31,044
Current tax charge	-	-

No provision has been made for deferred tax on gains recognised on revaluing properties to market value Such tax would become payable only if the properties were sold The total amount unprovided is £46,689 (2011 £49,225)

The Finance Act 2012 was enacted on 17th July 2012 and included provisions which reduced the main rate of corporation tax to 24% from 1st April 2012 and 23% from 1st April 2013 Current tax has therefore been provided at 24.67% and deferred tax at 23% Further reductions to the main rate are proposed to reduce the rate to 20% by 1st April 2015 and are expected to be enacted in the Finance Act 2013 This has not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements

Notes to the Financial Statements - continued
for the Year Ended 30 November 2012

7 TANGIBLE FIXED ASSETS

	Long Leasehold investment property £
COST OR VALUATION	
At 1 December 2011	5,341,401
Transferred to VSM Estates Limited	(128,801)
Amendment to original cost	(104,190)
Additions	524,355
Disposals	(9,578,478)
Revaluation	5,423,384
At 30 November 2012	<u>1,477,671</u>
NET BOOK VALUE	
At 30 November 2011	<u>5,341,401</u>
At 30 November 2012	<u>1,477,671</u>

Amendment to original cost relates to an agreement made during the year with the original landowner to reduce the purchase price of the entire Uxbridge site

Freehold and long leasehold investment properties were revalued as at 30 November 2012 by Jones Lang LaSalle Limited, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of market value

Tangible fixed assets included at a valuation would have been included on a historical cost basis at

	2012 £	2011 £
Long leasehold investment properties	<u>646,877</u>	<u>4,311,669</u>

8 DEBTORS

	2012 £	2011 £
Amounts owed by participating interests	4,102,014	-
Called up share capital not paid	<u>1</u>	<u>1</u>
	<u>4,102,015</u>	<u>1</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Amounts owed to immediate parent	<u>-</u>	<u>230,910</u>

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Deferred consideration	<u>-</u>	<u>4,921,164</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2012

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

The payment terms of the deferred consideration are subject to contractual commitments which expected to allow for realisation of the related assets and settlement of the liability on a basis which is at least cash neutral over a minimum period of ten years

11 CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and nil paid equity		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

12 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 December 2011	(840,405)	1,029,732	189,327
Deficit for the year	(33,026)	-	(33,026)
Revaluation of property	-	5,423,384	5,423,384
Realised Revaluation	<u>5,622,322</u>	<u>(5,622,322)</u>	<u>-</u>
At 30 November 2012	<u>4,748,891</u>	<u>830,794</u>	<u>5,579,685</u>

13 ULTIMATE PARENT COMPANY

On 20th April 2012 the entire shareholding in VSM (Uxbridge 7) Limited was transferred from VSM Estates Limited to VSM Estates (Uxbridge) Limited

The company remains ultimately jointly owned by St Modwen Properties PLC and Vinci Investments Limited, both companies registered in England and Wales

The largest group of undertakings for which group accounts have been drawn up is that headed by St Modwen Properties PLC, and the smallest such group of undertakings including the company is that headed by VSM Estates Uxbridge (Group) Limited, a company registered in England and Wales. Copies of both group reports and accounts are available from this company's registered office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF

14 RELATED PARTY DISCLOSURES

There were no transactions with other companies other than group financing from VSM Estates (Uxbridge) Limited for which no group interest was charged. The Creditors note gives the balance outstanding as at the balance sheet date with VSM Estates (Uxbridge) Limited

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Loss for the financial year	(33,026)	(116,401)
Other recognised gains and losses relating to the year (net)	<u>5,423,384</u>	<u>148,014</u>
Net addition to shareholders' funds	5,390,358	31,613
Opening shareholders' funds	<u>189,328</u>	<u>157,715</u>
Closing shareholders' funds	<u>5,579,686</u>	<u>189,328</u>