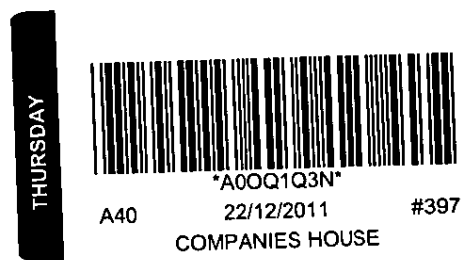


**Company Registration No. 5867722**

**VSM (Bentley Priory 4) Limited**

**Report and Financial Statements**

**30 June 2011**



# **VSM (Bentley Priory 4) Limited**

## **Report and Financial Statements 2011**

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# **VSM (Bentley Priory 4) Limited**

## **Report and Financial Statements 2011**

### **Officers and professional advisers**

#### **Directors**

G M Ennis  
D F Thomas  
A Wickett

#### **Company Secretary**

Barratt Corporate Secretarial Services Limited

#### **Registered Office**

Barratt House  
Cartwright Way  
Forest Business Park  
Bardon Hill  
Coalville  
Leicestershire  
LE67 1UF

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
UK

# VSM (Bentley Priory 4) Limited

## Directors' report

The Directors present their annual report and the audited financial statements for the seven months ended 30 June 2011

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415A of the Companies Act 2006

### Review of the business, principal activities and future outlook

The principal activity of the Company during the period, up to the date of disposal of its investment property was that of property investment. The Directors consider the results to be satisfactory.

On 17 January 2011 the Company was acquired by BDW Trading Limited, a wholly owned subsidiary of Barratt Developments PLC. Following the acquisition the investment properties held in the Company were transferred to BDW Trading Limited at book value and the accounting reference date was changed to 30 June.

On 17 January 2011, in order to strengthen the balance sheet of the Company, one £1 ordinary share was issued to BDW Trading Limited, settled through the intercompany account, at a premium of £1,769,999.

### Results and dividends

The Company made a loss of £128,744 during the seven month period to 30 June 2011 (year to 30 November 2010 £214,230). The Directors do not recommend the payment of a dividend (2010: £nil).

### Basis other than going concern

During the period the investment property has been sold and the Directors do not currently anticipate that further properties will be acquired by this Company. As required by FRS 18, Accounting Policies, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of preparing the accounts on this basis.

### Directors

The Directors of the Company, who served throughout the period, and subsequently to the date of this report, unless otherwise stated, were:

G M Ennis	(appointed 17 January 2011)
D F Thomas	(appointed 26 July 2011)
A Wickett	(appointed 31 August 2011)
G D Hopping	(appointed 17 January 2011, resigned 20 May 2011)
D A Whatman	(appointed 17 January 2011, resigned 29 July 2011)
D W Bowler	(resigned 17 January 2011)
W A Oliver	(resigned 17 January 2011)

### Directors' indemnities

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and Company Secretary of all Group companies, including VSM (Bentley Priory 4) Limited, from the date of its acquisition by BDW Trading Limited on 17 January 2011, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 of the Companies Act 2006.

### Company Secretary

St Modwen Corporate Services Limited resigned as Company Secretary on 17 January 2011. Barratt Corporate Secretarial Services Limited was appointed as Company Secretary on 23 May 2011.

## **VSM (Bentley Priory 4) Limited**

### **Directors' report (continued)**

#### **Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418(2) of the Companies Act 2006

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



D F Thomas  
Director

14 December 2011

## **VSM (Bentley Priory 4) Limited**

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial period. 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 estimates that are reasonable and prudent, 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.

## **Independent auditor's report to the members of VSM (Bentley Priory 4) Limited**

We have audited the financial statements of VSM (Bentley Priory 4) Limited for the period ended 30 June 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 13. 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 auditor**

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 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 annual report 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 June 2011 and of its loss for the period 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.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of VSM (Bentley Priory 4) Limited (continued)**

### **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 Directors' report



Mark Tolley (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

14 December 2011



## VSM (Bentley Priory 4) Limited

### Profit and loss account Seven months ended 30 June 2011

	Notes	7 months ended 30 June 2011 £	Year ended 30 November 2010 £
Turnover	3	-	13,040
Cost of sales		-	(197,918)
Gross loss		-	(184,878)
Administration costs		(128,744)	-
Operating loss		(128,744)	(184,878)
Loss on ordinary activities before taxation	4	(128,744)	(184,878)
Tax on loss on ordinary activities	5	-	(29,352)
Loss on ordinary activities after taxation	11	(128,744)	(214,230)

The accompanying notes are an integral part of these financial statements

All amounts derive from discontinued activities

## **VSM (Bentley Priory 4) Limited**

### **Statement of total recognised gains and losses for the seven months ended 30 June 2011**

		<b>7 months ended 30 June 2011 £</b>	<b>Year ended 30 November 2010 £</b>
	<b>Notes</b>		
<b>Loss on ordinary activities after taxation</b>	<b>4</b>	<b>(128,744)</b>	<b>(214,230)</b>
Unrealised gain on revaluation of investment properties		-	951,791
<b>Total recognised gains and losses relating to the period</b>		<b><u>(128,744)</u></b>	<b><u>737,561</u></b>

# VSM (Bentley Priory 4) Limited


## Balance sheet 30 June 2011

	Notes	30 June 2011 £	30 November 2010 £
<b>Fixed assets</b>			
Tangible assets	6	-	7,093,370
<b>Current assets</b>			
Debtors	7	10,282,044	1,511
<b>Creditors amounts falling due within one year</b>	8	<u>(1,418,674)</u>	<u>(7,989,799)</u>
<b>Net current assets/(liabilities)</b>		<u>8,863,370</u>	<u>(7,988,288)</u>
<b>Total assets less current liabilities</b>		<u>8,863,370</u>	<u>(894,918)</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(8,117,032)</u>	<u>-</u>
<b>Net assets/(liabilities)</b>		<u><u>746,338</u></u>	<u><u>(894,918)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	2	1
Share premium account	10	1,769,999	-
Profit and loss account	11	(1,023,663)	(1,022,394)
Revaluation reserve	11	-	127,475
<b>Shareholder's funds/(deficit)</b>	12	<u><u>746,338</u></u>	<u><u>(894,918)</u></u>

The accompanying notes are an integral part of these financial statements

The financial statements of VSM (Bentley Priory 4) Limited (registered number 5867722) were approved by the Board of Directors and authorised for issue on 14 December 2011

Signed on behalf of the Board of Directors



D F Thomas  
Director

# **VSM (Bentley Priory 4) Limited**

## **Notes to the financial statements Seven months ended 30 June 2011**

### **1. Accounting policies**

#### **Basis of preparation**

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

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 principal accounting policies, which have been applied consistently throughout the current period and preceding year (where applicable), are detailed below

#### **Turnover**

Turnover represents rental income recognised on a straight line basis to the first break point in the lease and other recoveries

#### **Tangible fixed assets and depreciation**

Depreciation was not provided on investment properties which were subject to annual revaluations until their disposal

#### **Investment properties**

In accordance with SSAP 19, investment properties were revalued annually and the surplus or temporary deficit was transferred to the revaluation reserve. No depreciation has been 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 SSAP 19. The Directors considered that, because these properties were not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it was necessary to adopt SSAP 19 in order to give a true and fair view

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

#### **Cash flow statement**

The Company is a wholly owned subsidiary of Barratt Developments PLC and the cash flows of the Company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement

#### **Current Tax**

UK Corporation tax is provided on taxable profits at the current rate

#### **Deferred Tax**

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered

Deferred tax assets and liabilities are not discounted

## VSM (Bentley Priory 4) Limited

### Notes to the financial statements (continued) Seven months ended 30 June 2011

#### 1. Accounting policies (continued)

##### Transactions with related parties

The Company has taken advantage of the exemption permitted by Financial Reporting Standard ('FRS') No 8 'Related Party Disclosures' and has not disclosed intra-group transactions with other companies that are wholly owned by the Group

#### 2. Basis other than going concern

During the period the investment property has been sold and the Directors do not currently anticipate that further properties will be acquired by this Company. As required by FRS 18, 'Accounting Policies', the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of preparing the accounts on this basis.

#### 3. Turnover

The total turnover of the Company for the period has been derived from the Company's principal activity wholly in the UK.

#### 4. Loss on ordinary activities before taxation

Auditor's remuneration for the seven months ended 30 June 2011 was borne by another Group company. Auditor's remuneration for the year ended 30 November 2010 was borne by VSM Estates Limited. The amounts borne were as follows:

	7 months ended 30 June 2011 £	Year ended 30 November 2010 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2,000	1,686
Fees payable to the Company's auditor for other services to the Company – Tax services	1,000	529
	<u>3,000</u>	<u>2,215</u>

#### Information regarding Directors and employees

The Directors received no emoluments from the Company during the current period or prior year and the Company had no employees in either year. D F Thomas is also a Director of the ultimate parent company, Barratt Developments PLC and G Ennis is also a Director of the holding company BDW Trading Limited. Their total emoluments were £1,192,000. A Wickett, G D Hopping and D P Whatman are or were employees of BDW Trading Limited and received no emoluments from this Company for their services as Directors. It is not possible to make an accurate apportionment of remuneration between services as a Director or employee of BDW Trading Limited and services as a Director of the Company and other subsidiary undertakings.

Prior to 17 January 2011 the Company was managed by its joint owners, St Modwen Properties PLC and Vinci (Holdings) Limited, and the remuneration of the Directors was paid by members of the VSM Estates (Holdings) Limited group of which these Companies were a part. No part of their remuneration was specifically attributable to their services to this Company.

## VSM (Bentley Priory 4) Limited

### Notes to the financial statements (continued) Seven months ended 30 June 2011

#### 5 Tax on loss on ordinary activities

	7 months ended 30 June 2011 £	Year ended 30 November 2010 £
<b>a) Analysis of charge in period</b>		
<b>Current tax</b>		
UK corporation tax	-	(22,960)
Adjustments in respect of prior periods	-	52,312
<b>Total current tax charge</b>	<b>-</b>	<b>29,352</b>

#### b) Factors affecting the tax charge for the year

The tax rate assessed for the year is lower than (2010 lower than) the effective standard rate of corporation tax in the UK

	7 months ended 30 June 2011 £	Year ended 30 November 2010 £
<b>Loss on ordinary activities before tax</b>	<b>(128,744)</b>	<b>(184,878)</b>
Loss on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 27.14% (2010 28.0%)	(34,941)	(51,766)
Expenses not deductible for tax purposes	34,941	-
Adjustments in respect of prior periods	-	52,312
Non recoverable tax losses	-	28,806
<b>Current tax charge for the year</b>	<b>-</b>	<b>29,352</b>

#### c) Factors that may affect future tax charge

Legislation reducing the main rate of corporation tax from 28% to 26% with effect from 1 April 2011 was substantively enacted during the period. Accordingly, current tax has been provided for at an effective rate of 27.14% in these financial statements.

An additional reduction in the main rate of corporation tax from 26% to 25% with effect from 1 April 2012 was enacted within the Finance Act 2011 on 5 July 2011.

Further reductions to the main rate of corporation tax of 1% per annum to 23% by 1 April 2014 have been announced by the Government.

A deferred tax asset of £94,962 (2010 £79,307) has not been recognised due to the lack of certainty over future taxable profits.

## VSM (Bentley Priory 4) Limited

### Notes to the financial statements (continued) Seven months ended 30 June 2011

#### 6. Tangible fixed assets

	Long leasehold investment properties £	Total £
<b>Cost or valuation</b>		
At 1 December 2010	7,093,370	7,093,370
Disposals	(7,093,370)	(7,093,370)
<b>At 30 June 2011</b>	<b>-</b>	<b>-</b>

Long leasehold investment properties were revalued as at 30 November 2010 by King Sturge & Co, 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

	30 June 2011 £	30 November 2010 £
Long leasehold investment properties	-	6,965,895

#### 7. Debtors

	30 June 2011 £	30 November 2010 £
Corporation tax	-	1,511
Amounts due from parent undertaking	10,282,044	-
	<b>10,282,044</b>	<b>1,511</b>

The amounts owed by Group undertakings are unsecured, interest free and have no fixed date of repayment

## VSM (Bentley Priory 4) Limited

### Notes to the financial statements (continued) Seven months ended 30 June 2011

#### 8. Creditors

	30 June 2011 £	30 November 2010 £
<b>Amounts falling due within one year</b>		
Trade creditors	-	21,989
Deferred consideration	-	6,998,462
Amounts owed to the Company's previous immediate parent undertaking	-	969,348
Other creditors	<u>1,418,674</u>	<u>-</u>
	<u><b>1,418,674</b></u>	<u><b>7,989,799</b></u>
<b>Amounts falling due after more than one year</b>		
Other creditors	<u><b>8,117,032</b></u>	<u>-</u>
Amounts due for payment after more than one year are guaranteed by the ultimate parent undertaking, Barratt Developments PLC, and are due in between one and two years		

#### 9. Share capital

	30 June 2011 £	30 November 2010 £
<b>Allotted, called up and fully paid equity</b>		
Two (2010: one) ordinary shares of £1 each	<u><b>2</b></u>	<u><b>1</b></u>

On 17 January 2011, in order to strengthen the balance sheet of the Company, one £1 ordinary share was issued to BDW Trading Limited, settled through the intercompany account, at a premium of £1,769,999

#### 10. Share premium account

	£
Balance at 1 December 2010	-
Issue of one £1 ordinary share to BDW Trading Limited at a premium of £1,769,999	<u>1,769,999</u>
<b>Balance at 30 June 2011</b>	<u><b>1,769,999</b></u>



## VSM (Bentley Priory 4) Limited

### Notes to the financial statements (continued) Seven months ended 30 June 2011

#### 11. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 December 2010	127,475	(1,022,394)
Transfer to profit and loss account on disposal of asset	(127,475)	127,475
Loss for the period	-	(128,744)
<b>At 30 June 2011</b>	<b>-</b>	<b>(1,023,663)</b>

#### 12 Reconciliation of movements in shareholder's funds/(deficit)

	7 months ended 30 June 2011 £	Year ended 30 November 2010 £
Loss for the period	(128,744)	(214,230)
Unrealised gain on revaluation of investment properties	-	951,791
Issue of shares	1,770,000	-
Net addition to shareholder's funds	1,641,256	737,561
Opening shareholder's deficit	(894,918)	(1,632,479)
Closing shareholder's funds/(deficit)	746,338	(894,918)

#### 13. Ultimate parent undertaking

The Directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company and controlling party. Barratt Developments PLC is the parent of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2011. The consolidated financial statements of Barratt Developments PLC are available from Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

The immediate parent company is BDW Trading Limited, a company registered in England and Wales.

Prior to the acquisition of the Company by BDW Trading Limited on 17 January 2011, the Company was jointly owned by St Modwen Properties PLC and Vinci (Holdings) Limited with the ultimate controlling party being St Modwen Properties PLC.