

**Registration number 5867722**

**VSM (Bentley Priory 4) Limited**  
**Annual report and financial statements**  
**for the year ended 30 November 2009**

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

### **Directors' report for the year ended 30 November 2009**

The directors present their report and the financial statements for the year ended 30 November 2009

#### **Principal activity and review of the business**

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.

#### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend (2008 £nil).

#### **Directors and their interests**

The following were directors of the company during the year, none of whom had any interest in the shares of the company:

T P Haywood  
W A Oliver  
D W Bowler

The company is jointly owned by St Modwen Properties PLC and Vinci (Holdings) Limited.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual report and 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 judgments and accounting 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.

#### **Directors' indemnities**

For the financial year ended 30 November 2009, qualifying third party indemnity provisions (provided by the ultimate 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.

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

### **Directors' report for the year ended 30 November 2009**

#### **Going concern**

The Company is reliant on the support of its 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.

#### **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,
- 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.

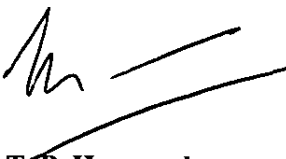
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Auditors**

Deloitte LLP, have conducted the audit for the year ended 30 November 2009 and have expressed a willingness to remain in office. A resolution to reappoint Deloitte LLP will be put forward at the Annual General Meeting.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 04/05/10 and signed on its behalf by



**T. P. Haywood  
Director**

**Independent auditors' report to the members of  
VSM (Bentley Priory 4) Limited**

We have audited the financial statements of VSM (Bentley Priory 4) Limited for the year ended 30 November 2009 which comprise the profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 12. 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 sections 495 and 496 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 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 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 30 November 2009 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**

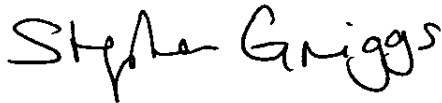
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' 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 prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report



**Stephen Griggs FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom**

**Date** 10 May 2010

**VSM (Bentley Priory 4) Limited**

**Profit and loss account  
for the year ended 30 November 2009**

		<b>2009</b>	<b>2008</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	30,620	10,225
Cost of sales		(291,996)	(159,117)
<b>Gross and operating loss</b>	<b>3</b>	(261,376)	(148,892)
<b>Loss on ordinary activities before taxation</b>		(261,376)	(148,892)
Tax on loss on ordinary activities	<b>4</b>	72,879	42,687
<b>Loss on ordinary activities after taxation</b>	<b>9</b>	(188,497)	(106,205)

All amounts derive from continuing activities

**Statement of total recognised gains and losses  
for the year ended 30 November 2009**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Loss on ordinary activities after taxation</b>	(188,497)	(106,205)
Unrealised deficit on revaluation of investment properties	(184,951)	(1,152,827)
<b>Total recognised gains and losses relating to the period</b>	(373,448)	(1,259,032)

**The notes on pages 7 to 12 form an integral part of these financial statements.**

**VSM (Bentley Priory 4) Limited**

**Balance sheet  
as at 30 November 2009**

		<b>2009</b>		<b>2008</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Tangible assets	<b>5</b>		6,158,647		6,270,622
<b>Current assets</b>					
Debtors	<b>6</b>	121,693		79,596	
		<u>121,693</u>		<u>79,596</u>	
<b>Creditors: amounts falling due within one year</b>	<b>7</b>	<u>(7,912,819)</u>		<u>(7,609,249)</u>	
<b>Net current liabilities</b>			(7,791,126)		(7,529,653)
<b>Total assets less current liabilities</b>			<u>(1,632,479)</u>		<u>(1,259,031)</u>
<b>Net liabilities</b>			<u><u>(1,632,479)</u></u>		<u><u>(1,259,031)</u></u>
<b>Capital and reserves</b>					
Called up share capital	<b>9</b>		1		1
Profit and loss account	<b>10</b>		(808,164)		(619,667)
Revaluation reserve	<b>10</b>		(824,316)		(639,365)
<b>Shareholders' deficit</b>	<b>11</b>		<u><u>(1,632,479)</u></u>		<u><u>(1,259,031)</u></u>

The financial statements of VSM (Bentley Priory 4) Limited, registered number 5867722, were approved by the Board on 04/05/10 and signed on its behalf by



**T.P. Haywood**  
Director

**The notes on pages 7 to 12 form an integral part of these financial statements.**

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

### **Notes to the financial statements for the year ended 30 November 2009**

#### **1. Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets 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 period. 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

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

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

##### **1.3 Investment properties**

In accordance with SSAP19, investment properties are revalued annually and the aggregate surplus or temporary deficit is transferred to the revaluation reserve. 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 principle 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



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

### **Notes to the financial statements for the year ended 30 November 2009**

#### **1.4 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.

#### **1.5 Cash flow statement**

The company is a 100% subsidiary of VSM Estates (Holdings) 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.

#### **1.6 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.

#### **1.7 Turnover**

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

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

### **Notes to the financial statements for the year ended 30 November 2009**

#### **2. Turnover**

The total turnover of the company for the year has been derived from the company's principal activity wholly in the UK

#### **3. Operating Loss**

##### **3.1 Audit fees**

Auditors' remuneration was borne by VSM Estates Limited The amounts borne were as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditors for the audit of the company's annual accounts	1,686	1,686
Fees payable to the company's auditors for other services to the company – Tax services	529	529
	<u>2,215</u>	<u>2,215</u>

##### **3.2 Information regarding directors and employees**

None of the directors received any remuneration during the year (2008: £nil) The remuneration of the directors is paid by other group undertakings for the current financial year and prior financial period and no part of their remuneration is specifically attributable to their services to this company

The company has no employees and is managed by its joint owners, St Modwen Properties PLC and Vinci (Holdings) Limited (2008: nil)

**VSM (Bentley Priory 4) Limited**

**Notes to the financial statements  
for the year ended 30 November 2009**

**4. Tax on loss on ordinary activities**

<b>Analysis of credit in period</b>	<b>2009 £</b>	<b>2008 £</b>
<b>Current tax</b>		
UK corporation tax at 28%	(72,879)	(42,687)
Total current tax credit	<u>(72,879)</u>	<u>(42,687)</u>

**Factors affecting tax credit for period**

The tax assessed for the period is different than the standard rate of corporation tax in the UK of 28%  
The differences are explained below

	<b>2009 £</b>	<b>2008 £</b>
Loss on ordinary activities before taxation	<u>(261,376)</u>	<u>(148,892)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	(73,185)	(42,687)
<b>Effects of:</b>		
Prior year adjustment	306	-
Current tax credit for period	<u>(72,879)</u>	<u>(42,687)</u>

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 £Nil (2008: £Nil)

**VSM (Bentley Priory 4) Limited**

**Notes to the financial statements  
for the year ended 30 November 2009**

**5. Tangible fixed assets**

	<b>Long leasehold investment properties £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 December 2008	6,270,622	6,270,622
Additions	72,976	72,976
Revaluation	(184,951)	(184,951)
At 30 November 2009	<u>6,158,647</u>	<u>6,158,647</u>

Long leasehold investment properties were revalued as at 30 November 2009 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:

	<b>2009 £</b>	<b>2008 £</b>
Long leasehold investment properties	<u>6,982,963</u>	<u>6,909,987</u>

**6. Debtors**

	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	27,255	12,013
Other debtors	977	-
Corporation tax	73,185	42,687
Other taxation	20,275	24,895
Amounts due from parent undertaking in respect of unpaid share capital	1	1
	<u>121,693</u>	<u>79,596</u>

**VSM (Bentley Priory 4) Limited**

**Notes to the financial statements  
for the year ended 30 November 2009**

<b>7. Creditors: amounts falling due within one year</b>	<b>2009 £</b>	<b>2008 £</b>
Trade creditors	23,086	38,580
Amounts owed to immediate parent undertaking	891,271	572,207
Deferred consideration	6,998,462	6,998,462
	<u>7,912,819</u>	<u>7,609,249</u>

The payment terms of the deferred consideration are subject to contractual commitments which are 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

<b>8. Share capital</b>	<b>2009 £</b>	<b>2008 £</b>
<b>Authorised equity</b>		
100 Ordinary shares of £1 each	100	100
<b>Allotted, called up and nil paid equity</b>		
1 Ordinary shares of £1 each	1	1

<b>9. Reserves</b>	<b>Revaluation reserve £</b>	<b>Profit and loss account £</b>
At 1 December 2008	(639,365)	(619,667)
Revaluation of property	(184,951)	-
Retained loss for the year	-	(188,497)
<b>At 30 November 2009</b>	<u>(824,316)</u>	<u>(808,164)</u>

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

## **Notes to the financial statements for the year ended 30 November 2009**

### **10. Reconciliation of movements in shareholders' deficit**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Loss for the year	(188,497)	(106,205)
Unrealised deficit on revaluation of investment properties	(184,951)	(1,152,827)
Net reduction in shareholders' funds	<u>(373,448)</u>	<u>(1,259,032)</u>
Opening shareholders' (deficit)/funds	<u>(1,259,031)</u>	<u>1</u>
Closing shareholders' deficit	<u><u>(1,632,479)</u></u>	<u><u>(1,259,031)</u></u>

### **11. Related party transactions**

There were no transactions with other companies other than group financing from VSM Estates (Holdings) Limited for which no group interest was charged. Note 7 gives the balance outstanding as at the balance sheet date with VSM Estates (Holdings) Limited

### **12. Ultimate parent undertaking**

The company is jointly owned by St Modwen Properties PLC and Vinci (Holdings) Limited with the controlling related party being St. Modwen Properties PLC

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 (Holdings) Limited. Copies of both Group reports and accounts are available from the Registered Office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF. The Registered Office of VSM (Bentley Priory 4) Limited is at the same address.