

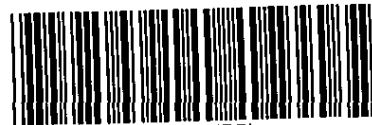
Company Registration No. 05876678

Barratt London Horseferry Road Limited

Report and Financial Statements

30 June 2013

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Barratt London Horseferry Road Limited

Report and Financial Statements 2013

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Barratt London Horseferry Road Limited

Report and Financial Statements 2013

Officers and professional advisers

Directors

A G Baird
G M Patrick
D F Thomas
D G Tillotson
R K Williams

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

Barratt London Horseferry Road Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year ended 30 June 2013

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 year was the development of residential property

During the year ended 30 June 2013 the Company incurred costs in respect of developing its site. On 17 May 2013 the Company sold its site to BDW Trading Limited at market value

The Directors do not currently intend to acquire further sites in this Company in the foreseeable future, and all activities of the Company are now discontinued

Results and dividends

The Company made a profit after tax of £22,872,000 (2012 loss after tax of £1,310,000). The Directors consider this result satisfactory

During the year the Directors proposed and paid an interim dividend of £10,000,000 per share (2012 £nil). The total dividend paid was £20,000,000 (2012 £nil)

Basis other than going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future

The Company sold its land during the year ended 30 June 2013. The Directors do not currently anticipate developing any further sites through this Company. As required by FRS 18, Accounting Policies, the Directors have therefore 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

The Company has net assets of £1,562,000 (2012 net liabilities of £1,310,000) including an amount due to from immediate parent company, BDW Trading Limited, of £8,672,000. The financial position of the Company is therefore dependent upon the Group (Barratt Developments PLC and its subsidiary undertakings, the 'Group')

The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. Factors that particularly impact upon the performance of the Group include changes in the macroeconomic environment including buyer confidence, availability of mortgage finance for the Group's purchasers and interest rates

On 14 May 2013 the Group agreed a comprehensive refinancing package. This provides the Group with around £850m of committed facilities and private placement notes to June 2016 and £650m to May 2018. The committed facilities and private placement notes now in place provide appropriate headroom above the Group's current forecast debt requirements. In addition, in order to enable it to take advantage of current opportunities in the land market, the Group has agreed terms upon an additional £50m two year term loan, which became available from 3 October 2013

In addition to the new borrowing facilities agreed in May 2013 the Group has secured £30m of financing from the Government's 'Get Britain Building' and 'Growing Places Fund' schemes during the year. These funds are repayable between 30 June 2014 and 30 June 2018

Barratt London Horseferry Road Limited

Directors' report (continued)

Directors

The names of the Directors who held office during the year and subsequently to the date of this report were as follows

A G Baird
G M Patrick
D F Thomas
D G Tillotson
R K Williams

Directors' indemnities

Following shareholder approval in January 2006, Barratt Developments PLC has provided indemnity to the Directors and Company Secretary of all Group companies, including Barratt London Horseferry Road Limited, 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 Companies Act 2006

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/she ought to have taken as a Director in order to make himself/herself 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
18 November 2013

Barratt London Horseferry Road 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 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 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 Barratt London Horseferry Road Limited

We have audited the financial statements of Barratt London Horseferry Road Limited for the year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. 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 2013 and of its profit 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.

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.

Independent auditor's report to the members of Barratt London Horseferry Road Limited (continued)

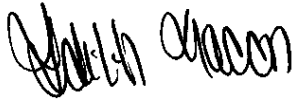
Opinion on other matter prescribed by the Companies Act 2006

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

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



Judith Tacon (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
18 November 2013

Barratt London Horseferry Road Limited

Profit and loss account Year ended 30 June 2013

	Notes	2013 £'000	2012 £'000
Cost of sales		(107)	(10)
Other operating income	3	33,267	-
Gross profit/(loss)		33,160	(10)
Administrative expenses		-	-
Operating profit/(loss)		33,160	(10)
Interest payable and similar charges	5	(3,163)	(1,748)
Profit/(loss) on ordinary activities before taxation	4	29,997	(1,758)
Taxation on profit/(loss) on ordinary activities	6	(7,125)	448
Profit/(loss) for the financial year	12, 13	22,872	(1,310)

The accompanying notes form an integral part of these financial statements

All activities of the Company are discontinued

There is no material difference between the profit/(loss) on ordinary activities before taxation for the years stated above and the historical cost equivalent

The Company has no recognised gains and losses in either year other than those reported above. Accordingly no statement of total recognised gains and losses is presented

Barratt London Horseferry Road Limited

Balance sheet 30 June 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Stocks	8	-	38,943
Debtors amounts falling due within 1 year	9	8,672	-
		<u>8,672</u>	<u>38,943</u>
Creditors: amounts falling due within one year	10	<u>(7,110)</u>	<u>(15,145)</u>
Net current assets		1,562	23,798
Creditors: amounts falling due after more than one year	10	<u>-</u>	<u>(25,108)</u>
Net assets/(liabilities)		<u>1,562</u>	<u>(1,310)</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	<u>1,562</u>	<u>(1,310)</u>
Shareholder's funds/(deficit)	13	<u>1,562</u>	<u>(1,310)</u>

The accompanying notes form an integral part of these financial statements

The financial statements of Barratt London Horseferry Road Limited (registered number 05876678) were approved by the Board of Directors and authorised for issue on 18 November 2013

Signed on behalf of the Board of Directors



D F Thomas
Director

Barratt London Horseferry Road Limited

Notes to the financial statements **Year ended 30 June 2013**

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

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) from publishing a cash flow statement.

Stocks

Land stocks, properties held for sale and work in progress are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads which have been incurred in bringing the stocks to their present location and condition. Stocks are impaired where the estimated net realisable value of the site is less than its carrying-value within the balance sheet.

Land held for development, including land in the course of development, is initially recorded at discounted cost. Where, through deferred purchase credit terms, the discounted cost differs from the amount that will ultimately be paid in settling the liability, this difference is charged as a finance cost in the income statement over the period of settlement. Due to the scale of the Company's developments, the Company has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete on such developments. In making these assessments there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and appropriateness of estimates made.

Current taxation

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

Deferred taxation

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 on a non-discounted basis.

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.

Barratt London Horseferry Road Limited

Notes to the financial statements (continued)

Year ended 30 June 2013

2. Significant matters relating to the basis of preparation of the financial statements

Basis other than going concern

The Company sold its land and work in progress during the year ended 30 June 2013. The Directors do not currently anticipate developing any further sites through 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. Other operating income

During the year the Company sold its land and work in progress at market value to another Group company, BDW Trading Limited. The Company made a profit of £33,267,120 on the sale of the site.

4 Profit/(loss) on ordinary activities before taxation

Auditor's fees

Fees payable to the Company's auditor, Deloitte LLP, for the audit of the Company's annual accounts were borne by another Group company and amounted to £3,000 in the current year (2012 £2,000). Fees paid to the Company's auditor for tax compliance were borne by another Group company and amounted to £1,000 in the current year (2012 £1,500).

Directors and employees

D F Thomas is also a Director of the ultimate parent company Barratt Developments PLC and his emoluments are disclosed in that company's accounts which do not form part of this report. A G Baird is a Director of BDW Trading Limited and his emoluments are disclosed in that company's accounts which do not form part of this report. These Directors received total emoluments of £2,161,000 during the year (2012 £1,770,000). The remaining Directors are or were employees of BDW Trading Limited and receive no emoluments from this Company for their services as Directors. It is not practicable to allocate the emoluments between services as a Director or employee of BDW Trading Limited and services as a Director of Barratt London Horseferry Road Limited and other subsidiary undertakings.

No Director received separate emoluments in respect of their service to this Company during the current or prior year. The Company had no employees in either year.

5. Interest payable and similar charges

	2013 £'000	2012 £'000
Interest on loan from Group undertakings	1,352	591
Imputed interest on deferred term land payables	1,054	690
Other interest payable	757	467
	<u>3,163</u>	<u>1,748</u>

Barratt London Horseferry Road Limited

Notes to the financial statements (continued) Year ended 30 June 2013

6. Taxation on profit/(loss) on ordinary activities

a) Analysis of tax charge/(credit) in the year

	2013 £'000	2012 £'000
Current tax		
UK corporation tax charge/(credit) on profit/(loss) for the year	7,110	(448)
Adjustment in respect of prior years	15	-
Total current tax charge/(credit)	7,125	(448)
Deferred tax		
Origination and reversal of timing differences	14	-
Adjustment in respect of prior year	(14)	-
Total deferred tax charge	-	-
Taxation on profit/(loss) on ordinary activities	7,125	(448)

b) Factors affecting the tax charge/(credit) for the year

The tax rate assessed for the year is higher than (2012 the same as) the effective standard rate of corporation tax in the UK

	2013 £'000	2012 £'000
Profit/(loss) on ordinary activities before tax	29,997	(1,758)
Profit/(loss) on ordinary activities multiplied by effective standard rate of corporation tax in the UK of 23.75% (2012 25.5%)	7,124	(448)
Tax losses utilised in the year	(14)	-
Adjustment in respect of prior periods	15	-
Total current tax charge/(credit)	7,125	(448)

c) Factors that may affect future tax charge

Legislation reducing the main rate of corporation tax to 23% with effect from 1 April 2013 was enacted on 17 July 2012. Accordingly, the current year tax charge has been provided for at an effective rate of 23.75% in these financial statements.

Additional reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and from 21% to 20% with effect from 1 April 2015 was enacted within the Finance Act 2013 on 17 July 2013.

There is no unrecognised deferred tax asset or liability in either year.

Barratt London Horseferry Road Limited

Notes to the financial statements (continued) Year ended 30 June 2013

7. Dividends

	2013 £'000	2012 £'000
Interim proposed and paid at £10,000,000 per share (2012 £nil)	<u>20,000</u>	<u>-</u>

8 Stocks

	2013 £'000	2012 £'000
Land and work in progress	-	38,943
	<u>-</u>	<u>38,943</u>

The Directors consider all stocks to be essentially current in nature although the Company's operational cycle is such that a proportion of stocks may not be realised within twelve months. It is not possible to determine with accuracy when specific stocks will be realised as this will be subject to a number of issues such as consumer demand and planning permission delays.

At 30 June 2012 the Company reviewed the net realisable value of its land and work in progress carrying-values of its sites. The impairment review compared the estimated future net present realisable value of development sites with their balance sheet carrying-value. This review resulted in no impairment.

The key judgements in this review were estimating the realisable value of a site which is determined by forecast sales rates, expected sales prices and estimated costs to complete. Sales prices were estimated on a site-by-site basis based upon local market conditions and took into account the current prices being achieved upon each site for each product type. In addition, the estimation of future sales prices included an allowance on a site-by-site basis for low single digit sales price inflation in future periods. The estimation of costs to complete also included an allowance for low single digit build costs inflation in future periods.

9. Debtors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed by Group undertakings	<u>8,672</u>	<u>-</u>
Total debtors	<u>8,672</u>	<u>-</u>

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

Barratt London Horseferry Road Limited

Notes to the financial statements (continued) Year ended 30 June 2013

10 Creditors

	2013 £'000	2012 £'000
amounts falling due within one year:		
Amounts owed to Group undertakings	-	15,145
Corporation tax	7,110	-
	<u>7,110</u>	<u>15,145</u>

The amounts owed to Group undertakings are unsecured and have no fixed date of repayment. A market rate of interest has been charged on intercompany loans.

	2013 £'000	2012 £'000
amounts falling due after more than one year:		
Land creditors	-	25,108
	<u>-</u>	<u>25,108</u>

The maturity of creditors due after more than one year is as follows

	2013 £'000	2012 £'000
In between one and two years	-	25,108
	<u>-</u>	<u>25,108</u>

11. Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid		
Two ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

12 Profit and loss account

	£'000
At 1 July 2012	(1,310)
Profit for the financial year	22,872
Dividend (note 7)	(20,000)
At 30 June 2013	<u>1,562</u>

Barratt London Horseferry Road Limited

Notes to the financial statements (continued)

Year ended 30 June 2013

13. Reconciliation of movements in shareholder's funds/(deficit)

	2013	2012
	£'000	£'000
Opening shareholder's deficit	(1,310)	-
Profit/(loss) for the financial year	22,872	(1,310)
Dividends (note 7)	(20,000)	-
Closing shareholder's funds/(deficit)	<u>1,562</u>	<u>(1,310)</u>

14. Immediate parent company and ultimate parent company and controlling party

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 smallest and largest group to consolidate these financial statements and copies of these accounts may be obtained from Barratt Developments PLC, 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.