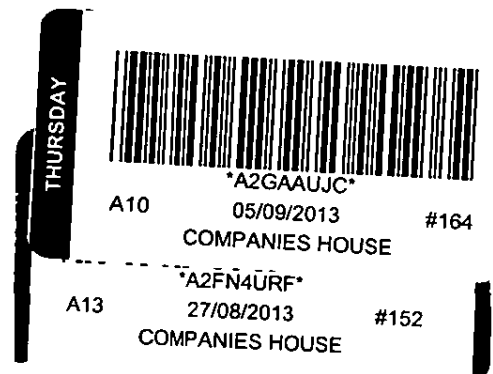


**Report of the Directors and
Financial Statements for the Period 21 March 2012 to 30 November 2012
for
VSM Estates (Uxbridge) Limited**



**Contents of the Financial Statements
for the Period 21 March 2012 to 30 November 2012**

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VSM Estates (Uxbridge) Limited

Company Information
for the Period 21 March 2012 to 30 November 2012

DIRECTORS:

D W Bowler
M E Dunn
W A Oliver

REGISTERED OFFICE

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

REGISTERED NUMBER:

08000629 (England and Wales)

AUDITORS:

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

**Report of the Directors
for the Period 21 March 2012 to 30 November 2012**

The directors present their report with the financial statements of the company for the period 21 March 2012 to 30 November 2012

INCORPORATION

The company was incorporated on 21 March 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of property investment and development

DIRECTORS

The directors who have held office during the period from 21 March 2012 to the date of this report are as follows

D W Bowler - appointed 21 March 2012

M E Dunn - appointed 21 March 2012

W A Oliver - appointed 21 March 2012

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

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting

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.

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 from the date of incorporation, have conducted the audit for the period 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.

**Report of the Directors
for the Period 21 March 2012 to 30 November 2012**

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:



Director

W A OLIVER

Date

20/8/13

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

We have audited the financial statements of VSM Estates (Uxbridge) Limited for the period 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 18. 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 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.

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 Aug 2013

Profit and Loss Account
for the Period 21 March 2012 to 30 November 2012

| | Notes | £ |
|--|-------|-------------|
| TURNOVER | | - |
| Administrative expenses | | (1,243,220) |
| OPERATING LOSS | 3 | (1,243,220) |
| Interest receivable and similar income | 4 | 82 |
| Interest payable and similar charges | 5 | (2,947,138) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (4,190,276) |
| Tax on loss on ordinary activities | 6 | - |
| LOSS FOR THE FINANCIAL PERIOD | | (4,190,276) |

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current period

Balance Sheet
30 November 2012

| | Notes | £ |
|--|-------|---------------------------|
| FIXED ASSETS | | |
| Investments | 7 | 8 |
| CURRENT ASSETS | | |
| Debtors | 8 | 57,419,678 |
| Debtors amounts falling due after more than one year | 8 | 7,661,005 |
| Cash at bank | | 4,293,431 |
| | | <u>69,374,114</u> |
| CREDITORS | | |
| Amounts falling due within one year | 9 | <u>(11,189,396)</u> |
| NET CURRENT ASSETS | | <u>58,184,718</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 58,184,726 |
| CREDITORS | | |
| Amounts falling due after more than one year | 10 | (62,000,000) |
| PROVISIONS FOR LIABILITIES | 13 | <u>(375,000)</u> |
| NET LIABILITIES | | <u><u>(4,190,274)</u></u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 14 | 2 |
| Profit and loss account | 15 | <u>(4,190,276)</u> |
| SHAREHOLDERS' FUNDS | 18 | <u><u>(4,190,274)</u></u> |

The financial statements were approved and authorised for issue by the Board of Directors on 2018/13 and were signed on its behalf by



Director **W A OLIVER**

**Notes to the Financial Statements
for the Period 21 March 2012 to 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

The accounting policies have been applied consistently throughout the 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

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

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

2 STAFF COSTS

The company had no employees and is managed by its joint ultimate owners, St Modwen Properties PLC and Vinci Investments Ltd

3 OPERATING LOSS

None of the directors received any remuneration during the period. The remuneration of the directors is paid by other group undertakings for the period and no part of their remuneration is specifically attributable to their services to this company

Auditors' remuneration was borne by its joint ultimate parent company, St Modwen Properties PLC. The fee payable for audit of the financial statements was £18,000 and the fee payable for tax compliance services was £14,200

4 INTEREST RECEIVABLE AND SIMILAR INCOME

Other

£
82

Notes to the Financial Statements - continued
for the Period 21 March 2012 to 30 November 2012

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | £ |
|-------------------------------|------------------|
| Bank loan interest | 1,435,837 |
| Derivatives | 135,552 |
| Interest on shareholder loans | 271,091 |
| Loan notes | 1,104,658 |
| | <u>2,947,138</u> |

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period

Factors affecting the tax charge

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

| | £ |
|---|--------------------|
| Loss on ordinary activities before tax | <u>(4,190,276)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.670% | (1,033,741) |
| Effects of Tax losses not recognised | <u>1,033,741</u> |
| Current tax charge | <u>-</u> |

No provision has been made for deferred tax assets for tax losses due to the uncertainty over when the losses will reverse. As at 30 November 2012 the total unprovided deferred tax asset is £963,763

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

7 FIXED ASSET INVESTMENTS

| | Investments in subsidiaries £ |
|-----------------------|--|
| COST | |
| Additions | <u>8</u> |
| At 30 November 2012 | <u>8</u> |
| NET BOOK VALUE | |
| At 30 November 2012 | <u>8</u> |

Notes to the Financial Statements - continued
for the Period 21 March 2012 to 30 November 2012

7 FIXED ASSET INVESTMENTS - continued

The investment in subsidiaries relates to a 100% shareholding in the ordinary share capital of the following companies, each of which is registered in England and Wales

| Name of company | Nature of business |
|--------------------------|---------------------|
| VSM (Uxbridge 1) Limited | Property Investment |
| VSM (Uxbridge 2) Limited | Property Investment |
| VSM (Uxbridge 3) Limited | Property Investment |
| VSM (Uxbridge 4) Limited | Property Investment |
| VSM (Uxbridge 5) Limited | Property Investment |
| VSM (Uxbridge 6) Limited | Property Investment |
| VSM (Uxbridge 7) Limited | Property Investment |
| VSM (Uxbridge 8) Limited | Property Investment |

8 DEBTORS

| | £ |
|--|-------------------|
| Amounts falling due within one year | |
| Amounts owed by ultimate parent | 1,495,952 |
| Amounts owed by immediate parent | 2 |
| Amounts owed by subsidiary undertakings | 55,923,724 |
| | <u>57,419,678</u> |
| Amounts falling due after more than one year | |
| Amount owed by ultimate parent | <u>7,661,005</u> |
| Aggregate amounts | <u>65,080,683</u> |

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | £ |
|---------------------------------|-------------------|
| Trade creditors | 147,288 |
| Amounts owed to ultimate parent | 5,180,749 |
| Social security and other taxes | 3,891,497 |
| Other creditors | 1,571,191 |
| Accruals and deferred income | 398,671 |
| | <u>11,189,396</u> |

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | £ |
|---------------------------|-------------------|
| Bank loans (see note 11) | 50,000,000 |
| Other loans (see note 11) | 12,000,000 |
| | <u>62,000,000</u> |

Notes to the Financial Statements - continued
for the Period 21 March 2012 to 30 November 2012

11 LOANS

An analysis of the maturity of loans is given below

| | £ |
|--|-------------------|
| Amounts falling due between two and five years | |
| Bank loans - 2-5 years | 50,000,000 |
| Loan Notes | 12,000,000 |
| | <u>62,000,000</u> |

The bank loan, on which interest is payable at 3.25% above LIBOR, is secured on the properties owned by the subsidiary companies and is repayable in 2017

The loan notes, on which interest is payable at 15%, are held by the ultimate joint parents, St Modwen Properties PLC and Vinci Investments Ltd, and is repayable in 2014

12 FINANCIAL INSTRUMENTS

The Company has derivatives which are not included at fair value in the accounts

| | Principal £ | Fair Value 2012 £ |
|--------------------|----------------|-------------------------|
| Interest rate swap | 25,000,000 | 656,413 |

The interest rate swap is used by the Company to manage its exposure to interest rate movements on its bank borrowings. The fair values are based on market values of equivalent instruments at the balance sheet date

The interest rate swap has fixed interest payments at a rate of 1.63% and floating interest receipts at LIBOR

13 PROVISIONS FOR LIABILITIES

| | £ |
|-----------------------------|---------------------------|
| Other provisions | <u>375,000</u> |
| | Loan exit fees £ |
| Provided during period | 450,000 |
| Utilised during period | <u>(75,000)</u> |
| Balance at 30 November 2012 | <u>375,000</u> |

Notes to the Financial Statements - continued
for the Period 21 March 2012 to 30 November 2012

14 CALLED UP SHARE CAPITAL

| Allotted and issued | | Nominal value | £ |
|---------------------|-------------------|------------------|----------|
| Number | Class | | |
| 1 | Ordinary A Shares | 1 | 1 |
| 1 | Ordinary B Shares | 1 | 1 |
| | | | <u>2</u> |

The following shares were allotted at par during the period

1 Ordinary A Shares shares of 1 each
1 Ordinary B Shares shares of 1 each

15 RESERVES

| | Profit and loss account £ |
|------------------------|------------------------------------|
| Deficit for the period | (4,190,276) |
| At 30 November 2012 | <u>(4,190,276)</u> |

16 ULTIMATE PARENT COMPANY

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

Notes to the Financial Statements - continued
for the Period 21 March 2012 to 30 November 2012

17 **RELATED PARTY DISCLOSURES**

The company's ultimate shareholders, both of whom own 50% of the ordinary share capital of the parent company, VSM Estates Uxbridge (Group) Limited, are St Modwen Properties PLC and Vinci Investments Limited, both registered in England and Wales

Amounts owed to related parties at the balance sheet date are as follows

- £1,571,191 to VSM Estates Limited

Amounts owed by immediate parent
- £2 by VSM Estates (Uxbridge Holdings) Ltd

Amounts owed by ultimate shareholders
- £9,156,917 by St Modwen Properties PLC

Amounts owed to ultimate shareholders
- £6,000,000 loan notes to St Modwen Properties PLC,
- £6,000,000 loan notes to Vinci Investments Limited,
- £552,329 interest on loan notes to St Modwen Properties PLC,
- £552,329 interest on loan notes to Vinci Investments Limited,
- £1,902,500 shareholder loans to St Modwen Properties PLC,
- £1,902,500 shareholder loans to Vinci Investments Limited,
- £174,966 interest on shareholder loans to St Modwen Properties PLC, and
- £96,125 interest on shareholder loans to Vinci Investments Limited

18 **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

| | £ |
|---|--------------------|
| Loss for the financial period | (4,190,276) |
| New share capital subscribed | 2 |
| | <hr/> |
| Net reduction of shareholders' funds | (4,190,274) |
| Opening shareholders' funds | - |
| | <hr/> |
| Closing shareholders' funds | (4,190,274) |
| | <hr/> |
| Equity interests | (4,190,274) |
| | <hr/> |