Company Registration No. SC091934

Acre Developments Limited

Report and Financial Statements

30 June 2011

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Acre Developments Limited

Report and Financial Statements 2011

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Acre Developments Limited

Report and Financial Statements 2011

Officers and professional advisers

Directors

S Craven
S A Dodson
D McLeod
D F Thomas
A J Watson
F J Young

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

Acre Developments Limited

Directors' report

The Directors present their annual report and the audited financial statements for the year 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.

Principal activities

The principal activity of the Company during the year was the construction and sale of private housing.

Results, dividends and future outlook

The Company made a profit before tax of £625,000 (2010: £793,000). The Company intends to fully develop its land and sell the completed homes during the foreseeable future.

No dividends were paid or proposed during the year (2010: £nil).

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.

At 30 June 2011 the Company had net assets of £10.5m. The Company's assets include receivables from other Group companies of £5.6m, and the financial position of the Company is therefore dependent upon the performance of 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.

The Group agreed a complete debt refinancing package on 10 May 2011 which provided the Group with around £1 billion of committed facilities and private placement notes to May 2015.

Accordingly, after making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is an expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors who served the Company during the year, and up to the date of signing, were as follows:

S Craven
S A Dodson
D McLeod
D F Thomas
A J Watson
F J Young

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 Acre Developments 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.

Directors' report (continued)

Company Secretary

L Dent resigned as Company Secretary on 31st December 2010. Barratt Corporate Secretarial Services Limited was appointed as Company Secretary on 10 June 2011.

Auditor

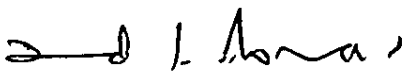
Each Director at the date of approval of this report confirms that:

- 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 Section 418(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 and signed on its behalf by:



D Thomas
Director
14 December 2011

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 Acre Developments Limited

We have audited the financial statements of Acre Developments Limited for the year ended 30 June 2011 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 2011 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.

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 auditor's report to the members of Acre Developments 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

Acre Developments Limited

Profit and loss account
Year ended 30 June 2011

	Notes	2011 £'000	2010 £'000
Turnover	2	**3,188**	3,446
Cost of sales		**(2,879)**	(2,589)
Gross profit		**309**	857
Administrative expenses		**(64)**	(68)
Operating profit		**245**	789
Interest receivable and similar income	5	**394**	4
Interest payable and similar charges	6	**(14)**	-
Profit on ordinary activities before taxation	3	**625**	793
Tax on profit on ordinary activities	7	**(172)**	(222)
Profit for the financial year	12, 13	**453**	571

The accompanying notes are an integral part of these financial statements.

All activities of the Company are continuing.

The Company has no recognised gains or losses in either year other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation for the years stated above and their historical cost equivalents.

Acre Developments Limited

Balance sheet
30 June 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Stocks	8	**5,334**	4,844
Debtors: amounts falling due within one year	9	**5,594**	5,391
Debtors: amounts falling due after more than one year	9	**106**	47
		11,034	10,282
Creditors: amounts falling due within one year	10	**(559)**	(260)
Net assets		**10,475**	10,022
Capital and reserves			
Called up share capital	11	**75**	75
Profit and loss account	12	**10,400**	9,947
Total shareholder's funds	13	**10,475**	10,022

The accompanying notes are an integral part of these financial statements.

The financial statements of Acre Developments Limited (registered number SC091934) were approved by the Board of Directors and authorised for issue on 14 December 2011.

Signed on behalf of the Board of Directors

D Thomas
Director

Notes to the financial statements
Year 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. The principal accounting policies, which have been applied consistently throughout the year and preceding year, are detailed below.

Going concern

The Directors have formed a judgement, at the time of approving the financial statements, that there is an expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements as set out in the going concern section of the Directors' Report.

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) 'Cash Flow Statements' from publishing a cash flow statement.

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.

Turnover

Turnover is recognised at legal completion in respect of the total proceeds of building and development and an appropriate proportion of turnover from construction contracts by reference to the stage of completion of contract activity. The sale proceeds of part exchange houses are not included in turnover.

Stocks

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.

Current taxation

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

Notes to the financial statements (continued)
Year ended 30 June 2011

1. Accounting policies (continued)

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.

Secured loans

Zero coupon loans granted as part of sales transactions that are secured by way of a legal charge on the respective property are classified as secured loans. Secured loans are valued at cost less provisions for impairment.

2. Turnover

In the opinion of the Directors, the Company had only one class of business, being the construction and sale of private housing, all of which was carried out in the United Kingdom.

3. Profit on ordinary activities before taxation

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 £7,000 in the current year (2010: £10,000). During the year Deloitte LLP was appointed as the Group's principal tax adviser. Fees for tax compliance amounting to £3,000 were borne by another Group company.

4. Directors and employees

The Directors received no emoluments from the Company during the current or prior years and the Company had no employees in either year. None of the Directors (2010: None) are accruing benefits under the Barratt Developments Group PLC pension scheme, which is a defined benefit pension scheme.

D F Thomas is also a Director of the ultimate parent company, Barratt Developments PLC and D McLeod is also a Director of the holding company BDW Trading Limited. Their total emoluments were £1,193,000 (2010: £1,263,000). The remaining Directors were employees of BDW Trading Limited and received no separate emoluments in respect of their services to this Company. It is not practicable to allocate their emoluments between their services as Directors of Acre Developments Limited, and their services in respect of other Group companies.

5. Interest receivable and similar income

	2011 £'000	2010 £'000
Interest on loans to Group undertakings	388	-
Imputed interest	6	4
	394	4

Notes to the financial statements (continued)
Year ended 30 June 2011

6. Interest payable and similar charges

	2011 £'000	2010 £'000
Other interest payable	14	-
	14	-

7. Taxation on profit on ordinary activities

(a) Analysis of charge in the year

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on profits for the year	172	222
Tax on profit on ordinary activities	172	222

(b) Factors affecting the tax charge for the year

The tax rate assessed for the period is equal to (2010: equal to) the effective standard rate of corporation tax in the UK. The differences are explained below.

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	625	793
Profit on ordinary activities multiplied by the effective standard rate of corporation tax in the UK of 27.5% (2010: 28.0%)	172	222
Total current tax charge	172	222

(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 27.5% 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.

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

Notes to the financial statements (continued)
Year ended 30 June 2011

8. Stocks

	2011 £'000	2010 £'000
Land	**1,192**	1,457
Work in progress	**3,766**	3,119
Part-exchange properties	**376**	268
	5,334	4,844

The Directors consider all stocks to be essentially current in nature although the Company's operational cycle is such that a proportion of stocks will 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.

During the years ended 30 June 2011 and 30 June 2010, in light of deteriorations in market conditions upon certain sites the Company conducted a review of the net realisable value of its land and work in progress carrying-values of its sites. Where the estimated net realisable value of the site was less than its carrying-value within the balance sheet, the Company impaired the land and work in progress value.

The review did not result in any impairment for the year ended 30 June 2011, or the year ended 30 June 2010.

The key judgement in estimating the net realisable value of a site was the estimation of likely 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 cost inflation in future periods.

Although the net realisable value review of land and work in progress was based upon the current prices being achieved by the Company in the difficult conditions within the UK housing market, if the UK housing market were to deteriorate beyond management expectations in the future then adjustments to the carrying-value of land and work in progress may be required.

Notes to the financial statements (continued)
Year ended 30 June 2011

9. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	**5,586**	5,382
Other debtors	**-**	9
Prepayments	**8**	-
	5,594	5,391
Amounts falling due after more than one year:		
Secured loans	**106**	47
	106	47

The secured debtors relate to deferred receivables from the sale of homes which are repayable upon the earlier of resale or at ten years from inception. They are secured by way of a second charge over the home and no interest is currently payable on them.

The amounts owed by Group undertakings are unsecured and repayable upon demand. In the current year a market rate of interest was receivable on intercompany loans, no interest was charged or received in the prior year.

10. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	**-**	33
Amounts owed to Group undertakings	**251**	-
Corporation tax	**172**	222
Accruals and deferred income	**130**	-
Other creditors	**6**	5
	559	260

11. Called up share capital

	2011 £	2010 £
Allotted, called up and fully paid		
75,000 ordinary shares of £1 each	**75,000**	75,000

Notes to the financial statements (continued)
Year ended 30 June 2011

12. Profit and loss account

	£'000
At 1 July 2010	9,947
Profit for the financial year	453
At 30 June 2011	**10,400**

13. Reconciliation of movements in shareholder's funds

	2011 £'000	2010 £'000
Opening shareholder's funds	**10,022**	9,451
Profit for the financial year	**453**	571
Closing shareholder's funds	**10,475**	10,022

14. Ultimate and immediate 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 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 undertaking is BDW Trading Limited, a company registered in England and Wales.