

Financial statements
Vincentian Homes and
Services (VHS) Limited

For the year ended 31 December 2010

Officers and professional advisers

Company registration number	3095928
Registered office	1st Floor, Metropolitan House 20 Brindley Road Manchester M16 9HQ
Directors	H Barrett AP Ogden Smith G Pelham J Pickett A Richardson
Secretary	H Barrett
Bankers	The Royal Bank of Scotland 45-47 Bank Street Bradford BD1 1T
Auditor	Grant Thornton UK LLP 4 Hardman Square Spinningfields Manchester M3 3EB

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2010.

Principal activities and business review

The Company continued to undertake market renting of properties and to trade as a developing agent for the construction of residential property.

Going concern

The Company remains reliant on the continued support of its parent undertaking, St Vincent's Housing Association Limited. St Vincent's Housing Association Limited has made available to the Company a loan facility of £500,000, which will enable the Company to continue to meet its obligations as they fall due. Further details are given in the principal accounting policies.

Directors

The directors who served the company during the year are set out on page 1.

Director's 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 laws). 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 and 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditor are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



H Barrett
Secretary

19 April 2011



Report of the independent auditor to the members of Vincentian Homes and Services (VHS) Limited

We have audited the financial statements of Vincentian Homes and Services (VHS) Limited for the year ended 31 December 2010 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Directors' responsibilities statement set out in page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 31 December 2010 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the independent auditor to the members of Vincentian Homes and Services (VHS) Limited (continued)

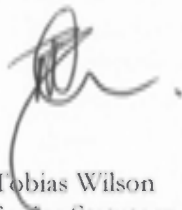
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial period 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Directors.



Tobias Wilson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

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Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Going concern

The directors have reviewed the company's finances over the next twelve months and determined that the continued support of the ultimate parent undertaking, St Vincent's Housing Association Limited, is required to ensure that the company can meet its liabilities as they fall due. St Vincent's Housing Association Limited has made available to the Company a loan facility of up to £500,000 as at 31 December 2010 and has the wherewithal to provide this continued support. On this basis, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

At the 31 December 2010 St Vincent's Housing Association had loaned Vincentian Homes £395,174. The St Vincent's Housing Association board agreed that in the early years of operation it would be necessary for the company to build up a project portfolio prior to repayments being made.

The on lending was made available on commercial terms to comply with the charitable requirements of St Vincent's Housing Association and interest is charged at 1% above the lowest commercial rate applicable for St Vincent's Housing Association.

Turnover

Turnover represents rental and service charge income receivable and the proceeds from property sales.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Housing properties	-	80 years	straight line
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No depreciation is charged in the year of acquisition.

Work in progress

Development land and properties in the course of construction are valued on the basis of direct costs plus attributable overheads. Provision is made for any foreseeable losses as they are identified. No element of profit is included in the valuation of development land or properties in the course of construction.

Loan finance issue costs

Issue costs are amortised over the life of the related loan. Loans are stated in the balance sheet net of issue costs yet to be amortised.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Profit and loss account

	Note	2010 £	2009 £
Turnover		186,391	178,516
Cost of sales		(49,172)	(57,140)
Gross profit		<u>137,219</u>	<u>121,376</u>
Administrative expenses		(2,015)	(2,744)
Operating profit	1	<u>135,204</u>	<u>118,632</u>
Interest payable	2	(49,433)	(52,655)
Profit on ordinary activities before taxation		<u>85,771</u>	<u>65,977</u>
Gift aid payment		78,223	-
Tax on profit on ordinary activities		9,721	(9,732)
Profit for the financial period	10	<u>17,269</u>	<u>56,245</u>

There are no other realised gains or losses for the period except the profit reported above.

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible fixed assets	3	<u>1,301,893</u>	<u>1,312,689</u>
Current assets			
Debtors	4	7,881	7,108
Cash at bank		<u>43,240</u>	<u>64,384</u>
		51,121	71,492
Creditors: amounts falling due within one year	6	<u>(457,689)</u>	<u>(470,712)</u>
Net current liabilities		<u>(406,568)</u>	<u>(399,220)</u>
Total assets less current liabilities		895,325	913,469
Creditors: amounts falling due after more than one year	7	<u>(818,993)</u>	<u>(854,406)</u>
		<u>76,332</u>	<u>59,063</u>
Capital and reserves			
Called-up equity share capital	9	3	3
Profit and loss account	10	<u>76,329</u>	<u>59,060</u>
Shareholders funds	10	<u>76,332</u>	<u>59,063</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 19 April 2011 and are signed on their behalf by:



H Barrett
 Secretary

Company No: 3095928

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Operating profit

Operating profit is stated after charging:

	2010	2009
	£	£
Depreciation of owned fixed assets	11,679	11,671
Auditor's remuneration for the audit of the financial statements	1,527	1,840
Directors remuneration	-	-
	<u> </u>	<u> </u>

2 Interest payable

	2010	2009
	£	£
Bank and loan interest payable	48,884	52,106
Amortisation of loan issue costs	549	549
	<u>49,433</u>	<u>52,655</u>

3 Tangible fixed assets

	Freehold housing properties £
Cost	
At 1 January 2010	1,330,767
Additions	883
At 31 December 2010	<u>1,331,650</u>
Depreciation	
At 1 January 2010	18,078
Charge for the period	11,679
At 31 December 2010	<u>29,757</u>
Net book value	
At 31 December 2010	<u>1,301,893</u>
At 31 December 2009	<u>1,312,689</u>

4 Debtors

	2010 £	2009 £
Prepayments and accrued income	7,881	7,108
	<u>7,881</u>	<u>7,108</u>

5 Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2010 £	2009 £
Included in creditors (note 6)	-	9,721
	<u>-</u>	<u>9,721</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2010		2009	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	-	9,721	-
	<u>-</u>	<u>-</u>	<u>9,721</u>	<u>-</u>

6 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans (note 8)	26,328	29,667
Trade creditors	2,227	18,529
Amounts owed to parent undertaking	395,174	400,327
Deferred taxation	-	9,721
Accruals and deferred income	33,960	12,468
	<u>457,689</u>	<u>470,712</u>

7 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Bank loans (note 8)	818,993	854,406
	<u>818,993</u>	<u>854,406</u>

Bank loans are secured by way of specific charges on the Company's housing properties. The loans are fixed at rates between 1.00% to 1.75% above the Bank of England base rate and are repayable on instalments falling due as shown in note 8 below.

8 Debt

	2010	2009
	£	£
Due within one year	26,328	29,667
Due within one and two years	28,151	31,714
Due within two to five years	96,696	108,883
Due after five years	700,414	720,627
Less: issue costs	(6,268)	(6,818)
	<u>845,321</u>	<u>884,073</u>

9 Share capital

Authorised share capital:

	2010	2009
	£	£
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Allotted and called up:

	2010		2009	
	No	£	No	£
Ordinary shares fully paid of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

10 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2010	3	59,060	59,063
Profit for the period	-	17,269	17,269
At 31 December 2010	<u>3</u>	<u>79,329</u>	<u>76,332</u>

11 Ultimate parent company

The Company is a wholly owned subsidiary of St Vincent's Housing Association Limited, a Registered Social Landlord incorporated in the United Kingdom under the Industrial and Provident Societies Act 1965.

12 Related party transactions

The directors have taken advantage of the exemption available under FRS 8 and have chosen not to disclose transactions with fellow group undertakings. There are no other related party transactions that require disclosure under FRS8.