

BTR Property Holdings Limited

Report and Accounts

For the year ended 31 March 2009

Company number: 1122



BTR Property Holdings Limited

DIRECTORS

V M Hull

K C Smith (appointed 31 January 2009)

D J Thomas

SECRETARY

Invensys Secretaries Limited

AUDITORS

Ernst & Young LLP

1 More London Place

London

SE1 2AF

REGISTERED OFFICE

Portland House

Bressenden Place

London

SW1E 5BF

BTR Property Holdings Limited

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DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 March 2009.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,376,000 (2008: loss £5,257,000).

The directors do not recommend the payment of a dividend to the ordinary shareholders in respect of the year (2008: £nil).

ACTIVITIES AND REVIEW FOR THE YEAR

The principal activity of the Company during the year continued to be that of a property lease holding company. The directors do not expect any change in the principal activity during the next financial year.

The results for the year are set out on page 8.

DIRECTORS

The directors who served during the year were as follows:

V M Hull
K C Smith (appointed 31 January 2009)
D J Thomas

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Invensys International Holdings Limited, a wholly owned subsidiary of Invensys plc (the ultimate parent of the Company) has granted to all the directors an indemnity (to the extent permitted by the Companies Act 2006) in respect of liabilities relating to proceedings brought by third parties and incurred as a result of their office. This qualifying third party indemnity remains in force as at the date of approving the directors' report. This indemnity does not provide cover in the event that the director is proved to have acted dishonestly or fraudulently.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company are in respect of exposure to credit and liquidity risks.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. The Company's credit risk is principally with other Group companies. The terms of inter-company financing have been set so that no inter-company liability may be demanded unless the relevant creditor, including the Company, has sufficient funds to meet that liability. Accordingly, the Company does not have to meet all such liabilities as they fall due.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due. The Company operates within the strict controls of the Invensys Group. The Group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets.

BTR Property Holdings Limited

DIRECTORS' REPORT

EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the Company have occurred since the balance sheet date.

SUPPLIERS' PAYMENT POLICY

It is company policy in respect of its suppliers to develop long term relationships with them which includes making payment consistent with established practices agreed with suppliers and ensuring that they are aware of the terms of payment and that such terms are followed.

AUDITORS

In accordance with section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually has been passed. Accordingly Ernst & Young LLP shall be deemed to be re-appointed as auditors 28 days after the accounts are sent to the members.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with section 234ZA(2) of the Companies Act 1985, the directors confirmed, so far as each is aware, that there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he/she ought to have taken as a director in order to make him/herself aware of, and to establish that the auditors are aware of, any relevant audit information.

By Order of the Board.



Per pro Invensys Secretaries Limited
Secretary
Portland House
Bressenden Place
London
SW1E 5BF

Date: 29 July 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE ACCOUNTS

The directors are responsible for preparing the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The accounts are required by law to 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. 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. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BTR PROPERTY HOLDINGS LIMITED

We have audited the Company's accounts for the year ended 31 March 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 20. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the accounts in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

BTR Property Holdings Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BTR PROPERTY HOLDINGS LIMITED

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

ERNST + YOUNG W

ERNST & YOUNG LLP

Registered Auditor

London

Date: 29/07/ 2009

BTR Property Holdings Limited**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

		Year ended 31 March 2009 £000	Year ended 31 March 2008 £000
	Notes		
TURNOVER	1	6	22
Administrative expenses		(3)	(51)
Other operating (expenditure)/income		(21)	56
Exceptional other operating expenditure	2	(493)	(783)
OPERATING LOSS	2	(511)	(756)
Interest receivable and similar income	5	12	24
Interest payable and similar charges	6	(2,877)	(4,525)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,376)	(5,257)
Tax on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL YEAR	13	(3,376)	(5,257)

There are no recognised gains and losses other than the loss for the financial year of £3,376,000 (2008: loss £5,257,000).

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Notes 1 to 20 form part of these accounts.


BTR Property Holdings Limited

**BALANCE SHEET
AT 31 MARCH 2009**

			31 March 2009 £000		31 March 2008 £000
	Notes	£000		£000	
FIXED ASSETS					
Tangible assets	8		-		493
CURRENT ASSETS					
Debtors	9	221		627	
Cash at bank and in hand		347		299	
		<u>568</u>		<u>926</u>	
CREDITORS - amounts falling due within one year	10	<u>(39,712)</u>		<u>(36,455)</u>	
NET CURRENT LIABILITIES			<u>(39,144)</u>		<u>(35,529)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(39,144)</u>		<u>(35,036)</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Provisions	11		<u>(11,783)</u>		<u>(12,515)</u>
NET LIABILITIES			<u><u>(50,927)</u></u>		<u><u>(47,551)</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		500		500
Profit and loss account	13		<u>(51,427)</u>		<u>(48,051)</u>
SHAREHOLDERS' DEFICIT	14		<u><u>(50,927)</u></u>		<u><u>(47,551)</u></u>

Notes 1 to 20 form part of these accounts.

These accounts were approved by the Board on 29 July 2009 and signed on its behalf by:


Director

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The policies are consistent with the previous year.

Under Financial Reporting Standard No. 1: Cash Flow Statements (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of Invensys plc, a listed company that prepares a consolidated cash flow statement for the Invensys group.

1.2 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 tax, in the future, with the following exceptions:

- Provision is made for tax on gains arising from fair value adjustments of fixed assets, or gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured 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. Deferred tax balances are not discounted.

1.3 Turnover

Turnover represents amounts invoiced in respect of rents and services in the UK net of VAT and discounts.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES (continued)

1.4 Depreciation of tangible fixed assets

Tangible fixed assets are depreciated to their residual values on a straight-line basis over their estimated useful lives at the following rates applied to original cost:

Freehold land	-	nil
Freehold and long leasehold buildings	-	2% or remaining useful life if less than 50 years
Short leasehold buildings	-	Remaining lease period

1.5 Going concern

The terms of intercompany financing have been set so no intercompany liability may be demanded unless the relevant creditor, including the company, has sufficient funds to meet that liability. Accordingly, the Company does not have to meet such liabilities as they fall due.

2. OPERATING LOSS

Operating loss is stated after charging:	2009	2008
	£000	£000
Operating lease rentals	6	22
Exceptional items:		
- Impairment of property	493	-
- Increase of provision for lease shortfalls	<u>-</u>	<u>783</u>

Fees paid to the Company's auditors for the audit of the accounts were £4,500 (2008: £4,500). Fees paid to the Company's auditors for non-audit services to the Company itself are not disclosed in the Company's accounts since the consolidated accounts of the Company's ultimate parent, Invensys plc, are required to disclose non-audit fees on a consolidated basis.

The auditors' remuneration is borne by the Company's ultimate parent undertaking.

3. DIRECTORS' REMUNERATION

During the year, no director received any emoluments (2008: £nil).

4. EMPLOYEES

There were no employees during the year (2008: nil).

BTR Property Holdings Limited**NOTES TO THE ACCOUNTS****5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2009 £000	2008 £000
Other interest receivable	12	24

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £000	2008 £000
Unwind of discounts on provisions for liabilities and charges	272	-
Other interest	-	250
Interest payable to group undertakings	2,605	4,275
	2,877	4,525

7. TAX ON LOSS ON ORDINARY ACTIVITIES**(i) Analysis of tax (credit)/charge**

	2009 £000	2008 £000
United Kingdom corporation tax		
Current tax on income for the period	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit/(loss) on ordinary activities	-	-

(ii) Factors affecting the current tax credit

	2009 £000	2008 £000
Loss on ordinary activities before tax	(3,376)	(5,257)
Tax credit on ordinary activities at 28.0% (2008: 30.0%)	(945)	(1,577)
Origination and reversal of timing differences	(1)	(3)
Other permanent differences	137	-
Group relief surrender	809	1,580
Total current tax charge	-	-

As of 1 April 2008 the UK rate of corporation tax decreased from 30% to 28%.

NOTES TO THE ACCOUNTS

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(iii) Factors that may affect future tax charges

As a UK resident company in the Invensys plc group the Company is eligible to surrender UK group relief to, or claim UK group relief from, other Invensys plc group companies. These claims and/or surrenders may be made with or without charge.

Deferred tax assets not recognised in the balance sheet are as follows:

	2009 £000	2008 £000
Decelerated Capital allowances	(6)	(7)

The deferred tax assets have not been recognised since there is no persuasive evidence that there will be suitable taxable profits against which the timing differences will reverse. It is likely that the assets will be recoverable once suitable taxable profits are generated. Deferred tax not recognised has been calculated using the standard rate of UK corporation tax of 28% (2008: 28%).

There are no unprovided deferred tax liabilities.

8. TANGIBLE FIXED ASSETS

	Land and buildings £000
Cost	
At 1 April 2008 and 31 March 2009	493
Depreciation	
At 1 April 2008	-
Impairment charge	493
At 31 March 2009	493
Net book value	
At 31 March 2009	-
At 31 March 2008	493

BTR Property Holdings Limited**NOTES TO THE ACCOUNTS****9. DEBTORS**

	2009 £000	2008 £000
Amount falling due within one year		
Prepayments and accrued income	221	150
Trade debtors	-	470
Amounts owed by parent and fellow subsidiary undertakings	-	7
	<u>221</u>	<u>627</u>

10. CREDITORS: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to parent and fellow subsidiary undertakings	39,295	35,967
Accruals and deferred income	317	388
Other creditors	100	100
	<u>39,712</u>	<u>36,455</u>

11. PROVISION FOR LIABILITIES AND CHARGES

	Other Total £000
At 1 April 2008	12,515
Utilised in year	(1,004)
Unwind of discount	272
At 31 March 2009	<u>11,783</u>

A provision is recognised for onerous lease rentals in respect of certain sub-let and vacant properties. It is expected that costs will be incurred evenly over the remaining life of the various operating leases.

BTR Property Holdings Limited**NOTES TO THE ACCOUNTS****12. CALLED UP SHARE CAPITAL**

	Authorised		Allotted, called up and fully paid	
	2009	2008	2009	2008
	£000	£000	£000	£000
1,250,000 ordinary shares of £1 each	1,250	1,250	-	-
500,000 ordinary shares of £1 each	-	-	500	500
Total	1,250	1,250	500	500

13. RESERVES

	Profit and loss account
	£000
At 1 April 2008	(48,051)
Loss for the year	(3,376)
At 31 March 2009	(51,427)

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£000	£000
LOSS FOR THE FINANCIAL YEAR	(3,376)	(5,257)
Opening shareholders' deficit	(47,551)	(42,294)
Closing shareholders' deficit	(50,927)	(47,551)

NOTES TO THE ACCOUNTS**15. OTHER FINANCIAL COMMITMENTS**

Operating leases

At 31 March 2009 the Company had commitments under operating leases to make payments in the year to 31 March 2010 under agreements expiring as below:

	As at 31 March 2009	As at 31 March 2008
	Land and buildings £000	Land and buildings £000
Witin one year	-	-
Between two to five years	445	-
More than five years	<u>1,986</u>	<u>2,391</u>
	<u>2,431</u>	<u>2,391</u>

16. CONTINGENT LIABILITIES

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that the likelihood of any material liabilities arising is remote.

17. EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the Company have occurred since the balance sheet date.

18. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which publishes consolidated accounts, the Company has pursuant to paragraph 17 of Financial Reporting Standard No. 8: Related Party Disclosures (FRS 8) not included details of transactions with other companies which are subsidiaries of the Invensys group. There are no other related party transactions.

19. IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking of BTR Property Holdings Limited is BTR Industries Limited, a company registered in England and Wales.

20. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of BTR Property Holdings Limited is Invensys plc, a company registered in England and Wales. The only group preparing consolidated accounts which include BTR Property Holdings Limited is Invensys plc. Copies of the accounts of Invensys plc, can be obtained from the Group Secretarial Department, Invensys plc, Portland House, Bressenden Place, London, SW1E 5BF.