

**Langtree McLean Limited**  
*(formerly known as TBI Direct Limited)*

**Directors' report and financial statements**

**year ended 30th June 2005**

**Registered Number: 03694634**



**Langtree McLean Limited**  
***(formerly known as TBI Direct Limited)***

**Directors' report and financial statements**

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**Langtree McLean Limited**  
*(formerly known as TBI Direct Limited)*

**Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2005.

**Principal activities**

The company is involved in development of the Garden Festival site in Liverpool.

**Business Review**

The company's loss for the year after taxation amounted to £69,000 (2004: £Nil).

**Change of name**

On the 23 September 2004, TBI Direct Limited changed its name to Langtree McLean Limited.

**Dividend and transfer to reserves**

The directors do not recommend the payment of a dividend (2004: £Nil).

Retained loss transferred to reserves amounted to £69,000 (2004: £Nil).

**Directors and directors' interests**

The directors who held office during the period were as follows:

MW Jackson	(appointed 18 August 2004)
RN Dean	(appointed 23 August 2004)
J Downes	(appointed 18 August 2004)
JE Kendrick	(appointed 23 August 2004)
MJ Mellor	(appointed 13 September 2004)
FP Reil	(appointed 23 August 2004)
W Ainscough	(resigned 23 August 2004)
P Duckett	(resigned 25 August 2004)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

**Langtree McLean Limited**  
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**Directors' report (continued)**

**Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements 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 financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
**JE Kendrick**  
**Director**

Centrix House  
Crow Lane East  
Newton le Willows  
WA12 9UY

*26 April 2006*



KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

## **Independent auditors' report to the members of Langtree McLean Limited**

We have audited the financial statements on pages 5 to 10.

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 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 the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 with the company is not disclosed.

### **Basis of opinion**

We conducted our audit in accordance with *Auditing Standards issued by the Auditing Practices Board*. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 statements 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 financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
**Chartered Accountants**  
**Registered Auditor**  
**Manchester**

*27 Apr 2006*

**Langtree McLean Limited**  
*(formerly known as TBI Direct Limited)*

**Profit and loss account**  
*for the year ended 30.06.05*

	Note	2005 £000	2004 £000
Administration expenses	2-3	(98)	-
<b>Operating loss</b>		(98)	-
Tax on loss on ordinary activities	4	29	-
<b>Retained loss for the year</b>		(69)	-

There are no other recognised gains or losses other than these reported above and therefore no statement of total recognised gains and losses has been presented.

There is no difference between the profit and the historical cost profit.

All above results relate to continuing operations.

The notes on pages 7 to 10 form part of these financial statements.

**Langtree McLean Limited**  
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**Balance sheet**  
*at 30.06.05*

	Note		2005 £000	2004 £000
<b>Current assets</b>				
Stocks	5	7,702		-
Debtors	6	1,072		-
Cash		27		-
<b>Creditors: amounts falling due within one year</b>	7	(8,870)		-
<b>Net current liabilities</b>			(69)	-
<b>Net liabilities</b>			(69)	-
<b>Capital and reserves</b>				
Called up share capital	8		-	-
Profit and loss account	9		(69)	-
<b>Equity shareholders funds</b>	10		(69)	-

These financial statements were approved by the board of directors on 27/06/06 and were signed on its behalf by:



**MW Jackson**  
*Director*

The notes on pages 7 to 10 form part of these financial statements.

**Langtree McLean Limited**  
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**Notes**

*forming part of the financial statements*

**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Notwithstanding the deficiency on shareholders funds the accounts have been prepared on a going concern basis, as the shareholders have guaranteed to provide support for the company to meet its obligations as they fall due.

Under FRS1 (revised 1996) the company is exempt from the requirement to prepare a cashflow statement on the grounds of its size.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. For work in progress relating to developments, cost is taken as direct cost plus an appropriate proportion of production and other site overheads.

**Taxation**

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences, which have arisen but not reversed at the balance sheet date.



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**2 Operating loss on ordinary activities before taxation**

The audit fees will be paid for by the joint venture companies.

**3 Remuneration of directors**

None of the directors received any remuneration during the year from the company.  
The company does not employ any staff.

**4 Taxation**

Taxation has been charged as follows:

**2005**  
**£000**

**Analysis of charge in period**

*Current tax*

UK Corporation tax at 30% on loss in the period

(29)

**Factors affecting the tax charge for the period**

The current tax credit for the period is the same as the standard rate of corporation tax in the UK (30%).

**5 Stocks**

**2005**  
**£000**

**2004**  
**£000**

Land

7,224

-

Work in progress

478

-

7,702

-

**6 Debtors**

Amounts falling due within one year

**2005**  
**£000**

**2004**  
**£000**

Other debtors

Other tax and social security

1,043

-

Corporation tax recoverable

29

-

1,072

-

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**Notes (Continued)**

**7 Creditors: amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	434	-
Amounts due to joint venture partners	8,436	-
	<u>8,870</u>	<u>-</u>

Other creditors include amounts due to joint venture partners and group undertakings as follows:-

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
David McLean Homes Limited	4,218	-
Langtree Group plc	4,218	-
	<u>8,436</u>	<u>-</u>

**8 Called up share capital**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i>		
500 Ordinary "A" shares of £1 each	500	500
500 Ordinary "B" shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>
<i>Allotted and called up</i>		
1 Ordinary "A" share of £1	1	1
1 Ordinary "B" share of £1	1	1
	<u>2</u>	<u>2</u>

Every member has one vote for every share of which he is the holder, except that neither class of share can vote for the appointment or removal of the other class of director. The members of each type of share can appoint up to four directors of each. The A and B shares in all other respects are identical and rank pari passu.

**9 Reserves**

	<b>Profit and loss account £000</b>
At beginning of year	-
Retained loss for the year	(69)
	<u>(69)</u>
At end of year	<u>(69)</u>

**Langtree McLean Limited**  
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**Notes (Continued)**

**10 Reconciliation of movements in Shareholders' funds**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Opening shareholders funds	-	-
Result for the financial year	(69)	-
Issue of shares	-	-
Closing shareholders' funds	<u>(69)</u>	<u>-</u>

**11 Parent companies**

The company is 50% owned by David McLean (Holdings) Limited (incorporated in Great Britain and registered in England and Wales) and 50% by Langtree Group plc (incorporated in Great Britain and registered in England and Wales).