

Langtree Festival Gardens Limited
(formerly Langtree McLean Limited)
Directors' report and financial
statements
Registered number 3694634
30 June 2009

SATURDAY



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Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 June 2009

Principal activities

The company is involved in development of the Festival Garden site in Liverpool. Planning permission was granted in July 2008 for 1372 homes, the majority of which are apartments.

Business Review

On 27 October 2008, David McLean (Holdings) Limited, a 50% shareholder in Langtree McLean Limited was placed into administration. On 27 February 2009, the 50% share owned by David McLean (Holdings) Limited was purchased by Langtree Group Plc and the loan from David McLean (Holdings) Limited was assigned to Langtree Group Plc.

On 17 March 2009 the company changed its name from Langtree McLean Limited to Langtree Festival Gardens Limited.

The company's loss for the year after taxation amounted to £77,501 (2008 £8,196,000).

Retained loss transferred to reserves amounted to £77,501 (2008 £8,196,000).

Directors

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

J Downes
MW Jackson
MJ Mellor
JE Kendrick (resigned 27 February 2009)
FP Reil (resigned 27 February 2009)
RN Dean (resigned 1 July 2008)

The directors did not benefit from qualifying third party indemnity provisions during the financial year and at the date of this report.

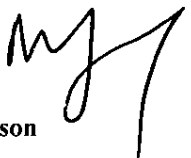
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in the office.

By order of the board


M W Jackson
Director

Centrix House
Crow Lane East
Newton le Willows
WA12 9UY

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 and applicable law (UK Generally Accepted Accounting Practice)

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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent 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 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.



KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Langtree Festival Gardens Limited (formerly Langtree McLean Limited)

We have audited the financial statements of Langtree Festival Gardens Limited for the year ended 30 June 2009, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Part 3 of Chapter 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 auditors' report to the members of (formerly Langtree McLean 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



John Costello (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St James' Square

Manchester

M2 6DS

25/3/10

Profit and loss account
for the year ended 30 June 2009

	<i>Note</i>	2009 £000	2008 £000
Administration expenses	2-3	(79)	(200)
Exceptional item	4	-	(8,000)
Operating loss		(79)	(8,200)
Interest receivable		1	4
Loss before taxation		(78)	(8,196)
Tax on loss on ordinary activities	5	-	-
Retained loss for the year		(78)	(8,196)

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

All above results relate to continuing operations

The notes on pages 7 to 11 form part of these financial statements

Balance sheet
at 30 June 2009

	<i>Note</i>	2009 £000	2009 £000	2008 £000	2008 £000
Current Assets					
Stocks	6	8,400		8,399	
Debtors	7	150		159	
Cash		29		182	
		<u>8,579</u>		<u>8,740</u>	
Creditors amounts falling due within one year	8	(17,191)		(17,276)	
		<u></u>		<u></u>	
Net current liabilities			(8,612)		(8,536)
			<u></u>		<u></u>
Creditors amounts falling due after more than one year	9		-		-
			<u></u>		<u></u>
Net liabilities			(8,612)		(8,536)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		(8,614)		(8,536)
			<u></u>		<u></u>
Equity shareholders' deficit	12		(8,612)		(8,536)
			<u></u>		<u></u>

These financial statements were approved by the board of directors on 9 March 2010 and were signed on its behalf by


MW Jackson
Director

The notes on pages 7 to 11 form part of these financial statements

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 on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards using the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below. The company has funding provided by Langtree Group plc. Langtree Group plc meets its day to day working capital requirements through a 3 year revolving credit facility which was increased and renewed in August 2009. After making enquiries the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Notwithstanding the deficiency on shareholders funds the accounts have been prepared on a going concern basis, as the shareholder has 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.

Related Parties

Under the provisions of FRS8 "Related Party Transactions" the company is exempt from the requirement to disclose details of transactions with group companies.

2 Operating loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2009 £000	2008 £000
Audit of these financial statements	3	3
Tax advisory and compliance	1	1
	<u> </u>	<u> </u>

3 Remuneration of directors

None of the directors received any remuneration during the year from the company.

The company does not employ any staff.

Notes (continued)

4 Exceptional Item

	2009	2008
	£000	£000
Net realisable value provisions	-	(8,000)
	<u> </u>	<u> </u>

5 Taxation

a) Analysis of charge in year

	2009
	£'000
<i>UK corporation tax</i>	
Current year corporation tax	-
	<u> </u>
Deferred tax – current year credit	-
	<u> </u>
	<u> </u>

b) Factors affecting the tax charge for the current year

The tax assessed for the year is equal to the standard rate of corporation tax in the UK (28%)

	2009
	£'000
Loss on ordinary activities before tax	(78)
	<u> </u>
Current tax at 28 % (2008 28 %)	(22)
Effects of	
Movement in tax losses	(1,098)
Deemed release of connected party loan	1,120
	<u> </u>
	<u> </u>

Notes (continued)

6 Stocks

	2009 £000	2008 £000
Land	14,450	14,450
Work in progress	1,950	1,949
Net realisable value provision	(8,000)	(8,000)
	<u>8,400</u>	<u>8,399</u>

In recognition of reduced residential land values, a net realisable value provision of £8m was made against the carrying value of the land and WIP in stock in the year to June 2008

7 Debtors

Amounts falling due within one year

	2009 £000	2008 £000
Other debtors	3	2
Other tax and social security	-	10
Corporation tax recoverable	147	147
	<u>150</u>	<u>159</u>

Deferred tax amounting to £1,249k (2008 £2,295k) has not been recognised in the current year given that there is insufficient evidence that the asset will be recovered

8 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	-	162
Amounts due to joint venture partners	-	17,107
Amounts due to parent company	17,152	-
Other tax and social security	23	-
Accruals	16	7
	<u>17,191</u>	<u>17,276</u>

On 27 October 2008, David McLean (Holdings) Limited, a 50% shareholder in Langtree McLean Limited was placed into administration. On 27 February 2009, the 50% share owned by David McLean (Holdings) Limited was purchased by Langtree Group Plc and the loan from David McLean (Holdings) limited was assigned to Langtree Group Plc

Notes *(continued)*

9 Creditors' amounts falling due after more than one year

	2009 £000	2008 £000
Amounts due to parent company	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10 Called up share capital

	2009 £000	2008 £000
<i>Authorised</i>		
500 Ordinary "A" shares of £1 each	500	500
500 Ordinary 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 each	1	1
1 Ordinary share of £1 each	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*.

11 Reserves

	Profit and loss account £000
At beginning of year	(8,536)
Retained loss for the year	(78)
	<u>(8,614)</u>
At end of year	<u>(8,614)</u>

Notes (continued)

12 Reconciliation of movements in shareholder's deficit

	2009 £000	2008 £000
Opening shareholders deficit	(8,536)	(340)
Result for the financial year	(78)	(8,196)
	<hr/>	<hr/>
Closing shareholders deficit	(8,614)	(8,536)
	<hr/>	<hr/>

13 Parent company

The company is 100% owned by Langtree Group plc (incorporated in Great Britain and registered in England and Wales) Registered office address is as follows Centrix House, Crow Lane East, Newton Le Willows, WA12 9UY