

**NS Festival Gardens Limited (formerly  
known as Langtree Festival Gardens  
Limited)**

Directors' report and financial statements

Registered number 3694634

For the year ended 30 June 2015



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2015.

### Principal activities

The company was the holding vehicle for the re-development of the Festival Garden site in Liverpool which was sold to Liverpool City Council in June 2015. During the company's ownership of the property since 2005 planning permission for 1,374 homes has been obtained, funding to restore and maintain the gardens has been secured and the restoration works have been organised and carried out.

### Business review

The severe economic consequences of the recession on the value of the development land resulted in the company writing down its £18,500,000 investment in the Festival Gardens to £2,000,000 in June 2012. As the economy recovered the company appraised the residual land value and agreed to revise it to £5,810,000 in September 2014.

The company's profit for the year before taxation amounted to £3,997,479 (2014: loss before taxation of £3,485) which was transferred to reserves and reduced the profit and loss account reserve to a loss of £10,503,000. (2014: loss of £14,501,000)

### Directors

The directors who held office during the year are as follows:

S Barnes

R Ainscough – Appointed 12 June 2015

R Gaskell – Appointed 1 July 2015

J Downes – Resigned 12 June 2015

MW Jackson – Resigned 12 June 2015

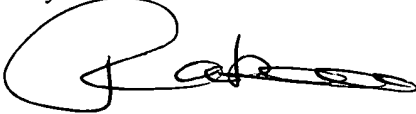
### Disclosure of information to auditors

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



**R Gaskell**  
Director

29 March 2016

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 judgements 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 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

1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

## **Independent auditor's report to the members of NS Festival Gardens Limited (formerly known as Langtree Festival Gardens Limited)**

We have audited the financial statements of NS Festival Gardens Limited (formerly known as Langtree Festival Gardens Limited) for the year ended 30 June 2015, 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 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 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, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 and of its profit 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 auditor's report to the members of NS Festival Gardens Limited  
(formerly known as Langtree Festival Gardens 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 from the requirement to prepare a Strategic report.

*Nicola Quayle*

**Nicola Quayle (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 St Peter's Square  
Manchester  
M2 3AE

31<sup>st</sup> March 2016

**Profit and loss account**  
*for the year ended 30 June 2015*

	<i>Note</i>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>Revenue</b>	<i>1</i>	<b>5,910</b>	-
Cost of sales		<b>(1,902)</b>	-
<b>Gross profit</b>		<b>4,008</b>	-
Administrative expenses	<i>2-3</i>	<b>(10)</b>	(3)
<b>Operating profit/(loss)</b>		<b>3,998</b>	(3)
Tax on (profit)/loss on ordinary activities	<i>4</i>	-	1
<b>Retained profit/(loss) for the year</b>		<b>3,998</b>	(2)

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 of the above results relate to continuing operations.

The notes on pages 8 to 11 form part of these financial statements.

**Note of historical cost profits and losses**  
*for the year ended 30 June 2015*

	<b>2015</b>	2014
	<b>£000</b>	£000
Reported profit/(loss) on ordinary activities before taxation	<b>3,998</b>	(3)
<b>Historical cost profit/(loss) on ordinary activities before taxation</b>	<b>3,998</b>	(3)
<b>Historical cost profit/(loss) for the year retained after taxation</b>	<b>3,998</b>	(2)

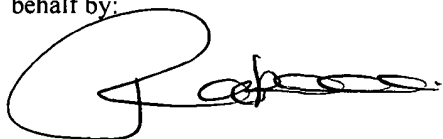


**Balance sheet**  
*as at 30 June 2015*

	<i>Note</i>	<b>2015 £000</b>	<b>2015 £000</b>	<b>2014 £000</b>	<b>2014 £000</b>
<b>Current assets</b>					
Stocks	5	-		1,955	
Debtors	6	1,935		2,051	
Cash		69		19	
		<hr/>		<hr/>	
			<b>2,004</b>		<b>4,025</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(12,507)</b>		<b>(18,526)</b>	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			<b>(10,503)</b>		<b>(14,501)</b>
			<hr/>		<hr/>
<b>Net liabilities</b>			<b>(10,503)</b>		<b>(14,501)</b>
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	8	-		-	
Profit and loss account	9		<b>(10,503)</b>		<b>(14,501)</b>
			<hr/>		<hr/>
<b>Equity shareholders' deficit</b>	10		<b>(10,503)</b>		<b>(14,501)</b>
			<hr/>		<hr/>

The notes on pages 8 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 29 March 2016 and were signed on its behalf by:



**R Gaskell**  
Director

## 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 and using the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below.

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

#### Going concern

Notwithstanding the deficiency on shareholders' funds the accounts have been prepared on a going concern basis. The company has funding provided by its parent company, Network Space Developments Ltd.

After making enquiries, the directors have a reasonable expectation that the Company has 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.

#### 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 FRS 8 the company is exempt from the requirement to disclose details of transactions with group companies.

### 2 Operating profit/(loss) on ordinary activities before taxation

*Profit/(loss) on ordinary activities before taxation is stated after charging:*

	2015 £000	2014 £000
Amounts payable to auditors:		
Audit of these financial statements	9	1
Tax advisory and compliance	-	-
	<hr/>	<hr/>

### 3 Remuneration of directors

None of the directors received any remuneration during the year from the company (2014: £nil).

The company does not employ any staff (2014: none).

## Notes (continued)

### 4 Taxation

#### a) Analysis of charge in year

	2015 £000	2014 £000
<i>UK corporation tax</i>		
Current year corporation tax	-	(1)
Adjustments in respect of previous years	-	-
	<hr/>	<hr/>
	-	(1)
Deferred tax	-	-
	<hr/>	<hr/>
	-	(1)
	<hr/>	<hr/>

#### b) Factors affecting the tax charge for the current year

The tax assessed for the year is less than (2014: same) the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%).

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before tax	3,998	(3)
	<hr/>	<hr/>
Current tax at 20.75% (2014: 22.5 %)	829	(1)
Effects of:		
Utilisation of tax losses and other deductions	(829)	-
	<hr/>	<hr/>
	-	(1)
	<hr/>	<hr/>

## Notes (continued)

### 4 Taxation (continued)

Reductions in the UK corporation tax rate from 24% to 25% (effective 1 April 2012) and to 23% (effective from 1 April 2014) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2015) and 20% (effective from 1 April 2015) were substantively enacted at the balance sheet date. This will reduce the company's future current tax charge accordingly.

### 5 Stocks

	2015 £000	2014 £000
Land	-	14,450
Work in progress	-	1,055
Net realisable value provision	-	(13,550)
	<hr/>	<hr/>
	-	1,955
	<hr/>	<hr/>

### 6 Debtors

*Amounts falling due within one year*

	2015 £000	2014 £000
Other tax and social security	-	2
Amounts owed by group undertakings	1,935	2,049
	<hr/>	<hr/>
	1,935	2,051
	<hr/>	<hr/>

Deferred tax assets amounting to £93,104 (2014: £892,600) have not been recognised in the current year given that there is insufficient evidence that the asset will be recovered in the foreseeable future.

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

	2015 £000	2014 £000
Amounts due to parent company	12,420	18,268
Trade creditors	19	253
Accruals	68	5
	<hr/>	<hr/>
	12,507	18,526
	<hr/>	<hr/>

## Notes (continued)

### 8 Called up share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary "A" share of £1 each	1	1
1 Ordinary "B" 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*.

### 9 Reserves

	Profit and loss account £000
At beginning of year	(14,501)
Retained profit for the year	3,998
At end of year	<u>(10,503)</u>

### 10 Reconciliation of movements in shareholder's deficit

	2015 £000	2014 £000
Opening shareholders' deficit	(14,501)	(14,499)
Result for the financial year	3,998	(2)
Closing shareholders' deficit	<u>(10,503)</u>	<u>(14,501)</u>

### 11 Parent Company

The parent and controlling party of the company is Network Space Developments Limited (formerly Langtree Land and Property plc), a company registered in England. The results of NS Festival Gardens Limited are consolidated in the financial statements of Network Space Developments Limited, which heads the smallest group into which the results of the company are consolidated. Copies of the Network Space Developments Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate parent of the company is Network Space Holdings Limited (formerly Langtree Real Estate Holdings Ltd), a company registered in England, which heads the largest group into which the results of the company are consolidated. Copies of the Network Space Holdings Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### 12 Ultimate controlling party

The majority of the shares in Network Space Holdings Limited (formerly Langtree Real Estate Holdings Limited) are owned by Mr W Ainscough who is the ultimate controlling party