

**Langtree Festival Gardens Limited**  
Directors' report and financial statements  
Registered number 3694634  
For the year ended 30 June 2014

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

### Principal activities

The company is involved in the development of the Festival Garden site in Liverpool. Planning permission was granted in July 2009 for 1,372 homes, the majority of which would be apartments.

### Business review

The company's loss for the year before taxation amounted to £3,485 (2013: £26,124). The retained loss transferred to reserves amounted to £3,485 (2013: £26,124).

### Key performance indicators

The company focuses on return on cost as its primary key performance indicator.

### Directors

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

J Downes  
MW Jackson  
S Barnes

### 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

10 December 2014

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

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditor's report to the members of Langtree Festival Gardens Limited**

We have audited the financial statements of Langtree Festival Gardens Limited for the year ended 30 June 2014, 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 2014 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 auditor's report to the members of 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*  
St James' Square  
Manchester  
M2 6DS

*22 December 2014*

**Profit and loss account**  
*for the year ended 30 June 2014*

	<i>Note</i>	<b>2014 £000</b>	<b>2013 £000</b>
Administration expenses	2-3	(3)	(26)
<b>Operating loss</b>		<u>(3)</u>	<u>(26)</u>
<b>Loss before taxation</b>		(3)	(26)
Tax on loss on ordinary activities	4	1	1
<b>Retained loss for the year</b>		<u>(2)</u>	<u>(25)</u>

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 8 to 11 form part of these financial statements.

**Note of historical cost profits and losses**  
*for the year ended 30 June 2014*

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Reported loss on ordinary activities before taxation	(3)	(26)
	<hr/>	<hr/>
<b>Historical cost loss on ordinary activities before taxation</b>	<b>(3)</b>	<b>(26)</b>
	<hr/>	<hr/>
<b>Historical cost loss for the year retained after taxation</b>	<b>(2)</b>	<b>(25)</b>
	<hr/> <hr/>	<hr/> <hr/>

**Balance sheet**  
*as at 30 June 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2014</b> <b>£000</b>	2013 £000	2013 £000
<b>Current Assets</b>					
Stocks	5	1,955		1,972	
Debtors	6	2,051		2,076	
Cash		19		4	
		<hr/>		<hr/>	
			4,025		4,052
<b>Creditors: amounts falling due within one year</b>	7	(18,526)		(18,551)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(14,501)		(14,499)
			<hr/>		<hr/>
<b>Net liabilities</b>			(14,501)		(14,499)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	8	-		-	
Profit and loss account	9	(14,501)		(14,499)	
		<hr/>		<hr/>	
<b>Equity shareholders' deficit</b>	10		(14,501)		(14,499)
			<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 10 December 2014 and were signed on its behalf by:

  
**MW Jackson**  
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, Langtree Land and Property plc.

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 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*

	2014 £000	2013 £000
Amounts payable to auditors:		
Audit of these financial statements	1	5
Tax advisory and compliance	-	2
	<hr/>	<hr/>

### 3 Remuneration of directors

None of the directors received any remuneration during the year from the company (2013: £nil).

The company does not employ any staff (2013: none).

## Notes (continued)

### 4 Taxation

#### a) Analysis of charge in year

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Current year corporation tax	(1)	(6)
Group relief	-	-
Adjustments in respect of previous years	-	5
	<u>(1)</u>	<u>(1)</u>
Deferred tax – current year credit	-	-
	<u>(1)</u>	<u>(1)</u>

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

The tax assessed for the year is the same as (2013: lower) the standard rate of corporation tax in the UK of 22.5% (2013: 23.75%).

	2014 £000	2013 £000
Loss on ordinary activities before tax	(3)	(26)
	<u>(3)</u>	<u>(26)</u>
Current tax at 22.5% (2013: 23.75 %)	(1)	(6)
Effects of:		
Adjustments in respect of previous periods	-	5
	<u>(1)</u>	<u>(1)</u>

## Notes (continued)

### Taxation (continued)

Reductions in the UK corporation tax rate from 24% to 25% (effective 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) 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. The deferred tax liability at 30 June 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

### 5 Stocks

	2014 £000	2013 £000
Land	14,450	14,450
Work in progress	1,055	1,072
Net realisable value provision	(13,550)	(13,550)
	<u>1,955</u>	<u>1,972</u>

### 6 Debtors

*Amounts falling due within one year*

	2014 £000	2013 £000
Other tax and social security	2	27
Amounts owed by group undertakings	2,049	2,049
	<u>2,051</u>	<u>2,076</u>

Deferred tax assets amounting to £892,600 (2013: £1,071,272) 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

	2014 £000	2013 £000
Amounts due to parent company	18,268	18,245
Trade creditors	253	233
Accruals	5	73
	<u>18,526</u>	<u>18,551</u>

## Notes (continued)

### 8 Called up share capital

	2014 £	2013 £
<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
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

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	(14,499)
Retained loss for the year	(2)
	<hr/>
At end of year	(14,501)
	<hr/>

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

	2014 £000	2013 £000
Opening shareholders' deficit	(14,499)	(14,474)
Result for the financial year	(2)	(25)
	<hr/>	<hr/>
Closing shareholders' deficit	(14,501)	(14,499)
	<hr/>	<hr/>

### 11 Ultimate holding company

The company is 100% owned by Langtree Land and Property plc, a company registered in England and Wales.

The ultimate controlling party of the company is Langtree Real Estate Holding Limited, a company registered in England and Wales, which heads the largest group into which the results of the Company are consolidated. Consolidated financial statements of Langtree Real Estate Holdings Limited can be obtained from the company's registered office; Centrix House, Crow Lane East, Newton le Willows, WA12 9UY.