

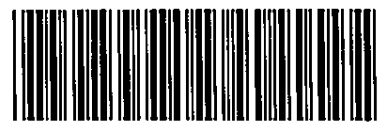
**Langtree (Property Development and Management  
Services) Limited**

**Directors' report and financial  
statements**

Registered number 05882490

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 principal activities of the company are to provide management services and assist in property development for a portfolio of properties in the West Midlands and the North East

### Business performance

The level of fee income will increase as the level of rental income and development activity increases

### Proposed dividend and transfer to reserves

The loss on the ordinary activities of the company before taxation amounted to £2,512 (2008 £104,140)

The directors do not recommend the payment of a dividend (2008 £nil)

### Directors and directors' interests

The directors who held office during the year were as follows

J Downes  
M Jackson  
M Mellor

### Disclosure of Information to Auditors

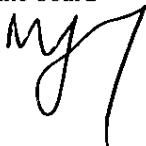
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make 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 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 (Property Development and Management Services) Limited**

We have audited the financial statements of Langtree (Property Development and Management Services) Limited for the year ended 30 June 2009, set out on pages 5 to 10. 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](http://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 Langtree (Property Development and Management Services) 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

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**Profit and loss account**  
*for the year ended 30 June 2009*

	<i>Note</i>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>
<b>Revenue</b>	<i>1</i>	<b>336,576</b>	<b>171,064</b>
Administration expenditure		<b>(342,682)</b>	<b>(276,584)</b>
<b>Operating loss</b>		<b>(6,106)</b>	<b>(105,520)</b>
Interest receivable		<b>3,594</b>	<b>1,380</b>
<b>Loss on ordinary activities before taxation</b>	<i>3</i>	<b>(2,512)</b>	<b>(104,140)</b>
Tax on loss on ordinary activities	<i>4</i>	<b>977</b>	<b>28,908</b>
<b>Retained loss for the year</b>		<b>(1,535)</b>	<b>(75,232)</b>

The company has no recognised gains or losses other than those disclosed in the profit and loss account for the year  
All revenue and operating profits are derived from continuing operations

**Balance sheet**  
*at 30 June 2009*

	<i>Note</i>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
<b>Current assets</b>			
Debtors	5	189,749	308,053
Cash at bank		278,112	-
		<u>467,861</u>	<u>308,053</u>
<b>Creditors</b> amounts falling due within one year	6	<b>(561,542)</b>	<b>(394,565)</b>
<b>Net current liabilities</b>		<b>(93,681)</b>	<b>(86,512)</b>
Provision for liabilities and charges	7	(421)	(6,055)
<b>Net liabilities</b>		<b>(94,102)</b>	<b>(92,567)</b>
<b>Capital and reserves</b>			
Share capital	8	2	2
Profit and loss account	9	(94,104)	(92,569)
<b>Shareholders' funds</b>		<b>(94,102)</b>	<b>(92,567)</b>

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

**M 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 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 receives fee income from joint venture partners for property services. In the event that there was a shortfall against income against costs then funding would be 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.

As permitted by Financial Reporting Standard 1, the company has not included a cash flow statement as part of the financial statements, on the grounds of its size.

#### ***Revenue***

Revenue is derived from the provision of management services and staff by Langtree (Property Development and Management Services) Limited to joint venture companies. Revenue is recognised as services are provided to the joint venture.

#### ***Taxation***

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***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 Employee costs and remuneration of directors**

No directors' remuneration was paid in the year (2008 £nil)

The company had no employees during the year (2008 None)

## Notes (continued)

### 3 Loss on ordinary activities before taxation

	2009 £	2008 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	1,500	1,500
Amounts receivable by the auditors and their associates in respect of		
Other services relation to taxation	-	-
All other services	-	-
	<u>1,500</u>	<u>1,500</u>

### 4 Taxation

#### a) Analysis of charge in year

	2009 £	2008 £
<i>UK corporation tax</i>		
Current year corporation tax	-	(22,853)
Group relief	482	-
Adjustment in respect of prior periods	4,175	-
	<u>4,657</u>	<u>(22,853)</u>
<i>Deferred tax</i>		
Origination of timing differences	107	(6,055)
Adjustment in respect of prior periods	(5,741)	-
	<u>(977)</u>	<u>(28,908)</u>

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

The tax assessed for the year is lower (2008 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2009 £	2008 £
(Loss) on ordinary activities before tax	(2,512)	(104,140)
Current tax at 28 % (2008 28 %)	(703)	(29,159)
Effects of		
Other timing differences	(314)	3,721
Adjustment in respect of prior periods	5,139	2,414
Movement in tax losses	421	-
Expenses not deductible for tax purposes	114	171
	<u>4,657</u>	<u>(22,853)</u>

## Notes (continued)

### 4 Taxation (continued)

#### c) Factors that may affect future tax charges

Based on the current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years

### 5 Debtors

	2009 £	2008 £
Prepayments and accrued income	88,296	23,665
Other debtors	67,769	246,047
Corporation tax	31,682	36,339
Amounts due from group companies	2,002	2,002
	<u>189,749</u>	<u>308,053</u>

### 6 Creditors amounts falling due within one year

	2009 £	2008 £
Amounts owed to group companies	192,000	192,000
Trade creditors	-	6,544
Corporation Tax	-	-
Other taxes and social security	22,055	31,498
Bank loans and overdraft	-	24,884
Accruals and deferred income	347,487	139,639
	<u>561,542</u>	<u>394,565</u>

### 7 Deferred tax

	Deferred taxation £
At beginning of year	(6,055)
Prior year adjustment	5,741
Current year movement	(107)
	<u>(421)</u>
At end of year	<u>(421)</u>

### 8 Called up share capital

	2009 £	2008 £
<i>Authorised, allotted and called up share capital</i>		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

**Notes** *(continued)*

**9 Reserves**

	<b>Profit and loss £</b>
At beginning of year	(92,569)
Loss for the year	(1,535)
At end of year	<u>(94,104)</u>

**10 Ultimate holding company**

The ultimate controlling party of the company is Langtree Group plc, a company registered in England and Wales, which heads the largest group into which the results of the Company are consolidated. The address of Langtree Group plc is Centrix House, Crow Lane East, Newton le Willows, WA12 9UY.