

WATKIN JONES PLC

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WATKIN JONES PLC
BALANCE SHEET
15 March 2016

	<i>Notes</i>	<i>15 March 2016 £'000</i>
<i>Non-Current assets</i>		
Investment in subsidiaries	2	256,275
		<u>256,275</u>
<i>Total assets</i>		<u>256,275</u>
<i>Current liabilities</i>		
Trade and other payables		(86,716)
		<u>(86,716)</u>
<i>Total Liabilities</i>		<u>(86,716)</u>
<i>Net assets</i>		<u>169,559</u>
<i>Equity</i>		
Share capital	3	1,695
Share premium	4	-
Retained earnings	4	167,864
		<u>167,864</u>
<i>Total Equity</i>		<u>169,559</u>

The notes on pages 4 - 6 form part of the balance sheet.

The balance sheet was approved by the Board of Directors on 15 June 2016 and signed on its behalf by



Mark Watkin Jones
Director

Company registered number 9791105

WATKIN JONES PLC
STATEMENT OF CHANGES IN EQUITY

	<i>Share capital</i> <i>£'000</i>	<i>Share premium</i> <i>£'000</i>	<i>Retained earnings</i> <i>£'000</i>	<i>Total</i> <i>£'000</i>
At incorporation	-	-	-	-
Shares issued	1,695	167,864	-	169,559
Cancellation of share premium	-	(167,864)	167,864	-
At 15 March 2016	<u>1,695</u>	<u>-</u>	<u>167,864</u>	<u>169,559</u>

WATKIN JONES PLC
NOTES TO THE FINANCIAL STATEMENTS
15 MARCH 2016

1. Accounting policies

Basis of preparation

On 23 September 2015 this company was incorporated. On 19 February 2016 it changed its name from HDC03 Limited to Watkin Jones Limited. On 15 March 2016 it changed its name from Watkin Jones Limited to Watkin Jones Plc.

These initial financial statements have been prepared solely for the purpose of demonstrating the company's reserves available for distribution following its registration as a public company in the UK and do not constitute statutory financial statements. The company's first statutory financial statements, which will be prepared for the period ended 30 September 2016, will be delivered to the registrar of companies in due course.

These financial statements have been prepared and approved by the directors in accordance with Companies Act 2006 and International Financial Reporting Standards as adopted by the EU. These financial statements have been prepared on a going concern basis.

The directors did not receive any remuneration for their services to this company during the period from incorporation to 15 March 2016.

The auditors remuneration for the period from incorporation to 15 March 2016 was borne by a fellow group undertaking.

Other than the balance sheet transactions noted, there were no other transactions or cash flows in the period from incorporation to 15 March 2016 and accordingly, no Statement of Comprehensive Income or Statement of Cash flows has been presented.

Investments in subsidiaries

The company's investments in subsidiaries are accounted for using the cost method. Under the cost method, the investment in a subsidiary is initially recognised at cost.

Trade and other payables

Trade and other payables are carried at cost.

WATKIN JONES PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
15 MARCH 2016

2. Investments in subsidiaries

	<i>Subsidiary undertakings £'000</i>
Cost	
On incorporation	-
Additions	256,275
At 15 March 2016	<u>256,275</u>

On 15 March 2016, the company acquired 100% of the issued shares in Watkin Jones Group Limited, a company incorporated in England and Wales. The principal activity of Watkin Jones Group Limited is that of property development and building contractor.

3. Allotted and issued share capital

	<i>15 March 2016 £'000</i>
<i>Allotted, called-up and fully paid</i>	
169,559,507 Ordinary shares of 1p each	<u>1,695</u>

The company issued 2 ordinary shares with a nominal value of £1 each on incorporation. These were subsequently converted to 200 ordinary shares of 1p each.

The acquisition of Watkin Jones Group Limited was achieved through a combination of a share for share exchange over 319,247 shares in Watkin Jones Group Limited, involving the issue of 81,407,985 ordinary shares in Watkin Jones plc at an issue price of £1 per share, and the completion of an agreement to purchase the remaining 680,753 shares for an amount of £173,592,015, which was paid in cash subsequent to the balance sheet date. Certain of the former shareholders in Watkin Jones Group Limited agreed to subscribe for a further 88,151,322 ordinary shares in Watkin Jones plc at an issue price of £1 per share. The share premium arising on the issue of the 169,559,307 ordinary shares was subsequently cancelled to create distributable reserves of £167,864,000.

WATKIN JONES PLC
NOTES TO THE FINANCIAL STATEMENTS - continued
15 MARCH 2016

4. Reserves

	<i>Share premium £'000</i>	<i>Retained earnings £'000</i>
At incorporation	-	-
Shares issued	167,864	-
Cancellation of share premium	(167,864)	167,864
At 15 March 2016	<u>-</u>	<u>167,864</u>

5. Post balance sheet events

Subsequent to the balance sheet date, significant transactions impacting distributable reserves have been the cost of fees and commissions associated with the company's admission to AIM on 23 March 2016, amounting to £6,500,000, and a credit of £7,275,205 in respect of a dividend received from Watkin Jones Group Limited.

REPORT OF THE INDEPENDENT AUDITOR TO WATKIN JONES PLC UNDER SECTION 839(5) OF THE COMPANIES ACT 2006

We have examined the initial accounts of Watkin Jones Plc for the period from 23 September 2015 to 15 March 2016 which comprise the Balance Sheet, Statement of Changes in Equity and the related notes 1 to 5. The initial accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 839(5) of the Companies Act 2006 and for no other purpose. 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 auditors

The directors are responsible for the preparation of the initial accounts in accordance with applicable IFRS as adopted by the EU.

Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

Opinion

In our opinion the initial accounts for the period from 23 September 2015 to 15 March 2016 have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

Ernst & Young LLP

Victoria Venning (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

100 Barbirolli Square, Manchester, M2 3EY

16 June 2016