Langtree Midwest Limited

Directors' report and financial statements

Registered number 06007521

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 principal activity of the company is that of an intermediate holding company.

Business performance

During the year the company has fully provided against its joint venture investment PXP West Midlands Limited Partnership. No other trading is expected in the next financial year.

Proposed dividend

The directors do not recommend the payment of a dividend *(2013: £nil).*

Directors and directors' interests

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

J Downes
M Jackson

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

10 December 2014

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 auditors' report to the members of Langtree Midwest Limited

We have audited the financial statements of Langtree Midwest Limited for the year ended 30 June 2014, 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 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.

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 Langtree Midwest Limited 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 Midwest 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

	Note	**2014** £	2013 £
Turnover		-	-
Expenses		**(15,089,239)**	-
Operating (loss)/profit		**(15,089,239)**	-
Interest receivable and similar income	*3*	**29**	28
(Loss)/profit on ordinary activities before taxation		**(15,089,210)**	28
Taxation	*4*	**72,326**	(64,707)
Retained loss for the financial year	*9*	**(15,016,884)**	(64,679)

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.

The notes on pages 7 to 10 form part of these financial statements.

Balance sheet

at 30 June 2014

	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Investments	5		-		15,089,237
Current assets					
Debtors	6	**5,904**		5,001	
Cash at bank		**5,582**		5,554	
		11,486		10,555	
Creditors: amounts falling due within one year	7	**(14,979,886)**		(15,064,744)	
Net current liabilities			**(14,968,400)**		(15,054,189)
Total assets less current liabilities			**(14,968,400)**		35,048
Provisions for liabilities and charges	8		**(13,436)**		-
Net assets			**(14,981,836)**		35,048
Capital and reserves					
Share capital	9		**1**		1
Profit and loss	10		**(14,981,837)**		35,047
Shareholders' (deficit)/funds	11		**(14,981,836)**		35,048

The notes on pages 7 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 14/12/2014 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 and using the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below.

Going concern

The company is exempt, by virtue of s228 of the Companies Act 2006, from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The company is a holding company for PxP West Midlands LP. The company has no forecast expenditure in the foreseeable future however in the event that funding was required this would be provided by 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.

As permitted by Financial Reporting Standard 1, the company has not included a cash flow statement as part of these financial statements, as a cash flow statement is included in the accounts of the parent undertaking.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less any amounts written off.

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 *(2013: £nil)*. The company had no employees during the year or prior year.

Notes *(continued)*

3 Interest receivable and similar income

	2014 £	2013 £
On cash at bank	**29**	28

4 Taxation

a) Analysis of charge in year

	2014 £	2013 £
UK corporation tax		
Current year corporation tax	**-**	-
Group relief	**(84,346)**	63,145
Adjustments in respect of previous periods	**(1,416)**	1,562
	(85,762)	64,707
Deferred tax		
Origination of timing differences	**492**	-
Adjustments in respect of prior periods	**14,885**	-
Effect of change in tax rate	**(1,941)**	-
	(72,326)	64,707

b) Factors affecting the tax charge for the current year

The tax assessed for the year is higher *(2013: higher)* than the standard rate of corporation tax in the UK of 22.5% *(2013: 23.75%)*. The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	**(15,089,210)**	28
Current tax at 22.5% *(2013: 23.75 %)*	**(3,395,072)**	7
Effects of:		
Other timing differences	**-**	(7)
Adjustments in respect of previous years	**(1,416)**	1,562
Group relief	**(84,346)**	63,145
Permanent differences	**3,395,084**	-
	(85,762)	64,707

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.

Notes *(continued)*

5 Investments

	2014 £	2013 £
Shares in group undertakings	**15,089,237**	15,089,237
Impairment	**(15,089,237)**	-
	-	15,089,237

The company holds an investment of 49.95% in PxP West Midlands Limited Partnership. During the year the Company has fully provided against its joint venture investment PXP West Midlands Limited Partnership.

6 Debtors

	2014 £	2013 £
Unpaid share capital	**1**	1
Amounts owed by related companies	**5,000**	5,000
Group relief	**903**	-
	5,904	5,001

7 Creditors: amounts falling due within one year

	2014 £	2013 £
Amounts owed to related companies	**14,979,886**	14,979,886
Group relief	-	84,858
	14,979,886	15,064,744

8 Provisions for liabilities and charges

	Deferred taxation £000
At beginning of year	-
Current year movement	(13,436)
At end of year	**(13,436)**

Notes *(continued)*

9 Called up share capital

	2014 £	2013 £
Allotted, called up and unpaid		
1 ordinary share of £1	**1**	**1**

10 Reserves

	Profit and loss account £
At 30 June 2013	**35,047**
Loss for the year	**(15,016,884)**
At 30 June 2014	**(14,981,837)**

11 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	**35,048**	99,727
Loss for the year	**(15,016,884)**	(64,679)
Closing shareholders' (deficit)/funds	**(14,981,836)**	35,048

12 Ultimate holding company

The smallest group into which the results of Langtree Midwest Limited are consolidated is Langtree Ventures Limited, a company registered in England and Wales.

Langtree Midwest Limited 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 Holdings 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 Ltd can be obtained from the company's registered office: Centrix, Crow Lane East, Newton-le-Willows, WA12 9UY.