Registered number: SC324079

Logie Green Developments Limited

Report and Financial Statements

for the year ended 30 September 2012

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Company Information

Directors	G Watkin Jones M Watkin Jones P M Byrom
Company secretary	P M Byrom
Company number	SC324079
Registered office	c/o Semple Fraser LLP 80 George Street Edinburgh EH2 2BU
Auditors	Ernst & Young LLP 20 Chapel Street Liverpool L3 9AG

Logie Green Developments Limited

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Directors' report
for the period ended 30 September 2012

The directors present their report and the financial statements for the year ended 30 September 2012.

Principal activities and review of business

The principal activity of the company is that of property developer.

On 1 October 2011 the company granted a 25 year lease of its student accommodation development in Edinburgh to a fellow group company. The lease was subsequently terminated on 30 June 2012 prior to a sale of the property on 12 July 2012.

Results and dividends

The loss for the year, after taxation, amounted to £833,956 (2011 – loss of £64,899).

The Directors do not recommend a dividend (2011 - £51,000).

Future developments

The directors are considering the future development opportunities which the company might undertake.

Directors

The directors who served during the year were:

G Watkin Jones
M Watkin Jones
P M Byrom

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the companies Act 2006. Such a qualifying third party indemnity provision remains in force at the date of approving the directors' report.

Directors' report
for the period ended 30 September 2012

Director's statement as to disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 June 2013 and signed on its behalf.



P M Byrom
Secretary

Statement of directors' responsibilities for the year ended 30 September 2012

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the shareholders of Logie Green Developments Limited

We have audited the financial statements of Logie Green Developments Limited for the year ended 30 September 2012, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 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 Statement of directors' responsibilities, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in our report.

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 September 2012 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 shareholders of Logie Green Developments Limited

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.

Barry Flynn (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor

Liverpool

Date: 28 June 2013

Profit and loss account
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Turnover	1	21,307,401	-
Cost of sales		(21,280,264)	-
Gross profit		27,137	-
Administration expenses		(331,461)	(34,118)
Operating loss		(304,324)	(34,118)
Interest payable	3	(529,632)	(30,781)
Loss on ordinary activities before taxation		(833,956)	(64,899)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year	11	(833,956)	(64,899)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account.

The notes on pages 8 to 12 form part of these financial statements.

Logie Green Developments Limited
Registered number: SC324079

Balance sheet
as at 30 September 2012

	Notes	2012 £	2011 £
Current assets			
Stocks	5	-	21,775,827
Debtors	6	361,140	600
Cash in hand		-	722,654
		361,140	22,499,081
Creditors: *amounts falling due within one year*	7	(1,194,726)	(9,748,711)
Net current (liabilities)/assets		(833,586)	12,750,370
Total current assets less current liabilities		(833,586)	12,750,370
Creditors: *amounts falling due after one year*	8	-	(12,750,000)
Net (liabilities) / assets		(833,586)	370
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(833,587)	369
Shareholders' (deficit) / funds	12	(833,586)	370

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2013.

M Watkin Jones
Director

Notes to the financial statements for the year ended 30 September 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

1.2 Going concern

The financial statements have been prepared under the principles of going concern. The directors consider the continuing support confirmed by the company's immediate parent undertaking, Watkin Jones and Son Limited, to be adequate for this basis to be used.

1.3 Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as a principal and for services provided, excluding VAT and trade discounts. Turnover is wholly attributable to the company's continuing activity in the United Kingdom.

1.4 Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

1.5 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises all costs directly attributable to the purchasing and development of the property, including the acquisition of the land and buildings, legal costs, attributable overheads, attributable finance costs and the cost of bringing developments to their present position at the balance sheet date. Rental income arising during the development of the property is capitalised at its carrying value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.6 Deferred taxation

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Directors emoluments and auditors remuneration

There have not been any directors' emoluments paid during the year. There were no employees of the company apart from the directors.

Auditors remuneration of £500 (2011 - £500) has been borne by Watkin Jones & Son Limited.

3. Interest payable

	2012 £	2011 £
On bank loans and overdrafts	529,632	30,781

4. Taxation

	2012 £	2011 £
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed on the loss on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK 25% (2011 – 27%). The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	(833,956)	(64,899)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2011 - 27%)	(208,489)	(17,523)
Effects of:		
Group relief surrendered	208,489	17,523
Current tax charge for the year *(see note above)*	-	-

5. Stocks

	2012 £	2011 £
Property held for sale	-	21,775,827
	-	21,775,827

Notes to the financial statements
for the year ended 30 September 2012

6. Debtors

	2012 £	2011 £
Trade debtors	293,074	-
Amounts owed by related parties	60,166	-
Other debtors	7,900	600
	361,140	600

7. Creditors: Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	27	-
Amount owed to parent undertaking	787,824	4,979,836
Amounts owed to group undertakings	225,019	47,175
Amount owed to related parties	-	3,999,834
Retentions	181,856	181,856
Accruals and deferred income	-	540,010
	1,194,726	9,748,711

8. Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Bank loans (note 9)	-	12,750,000

9. Bank loans

	2012 £	2011 £
Amounts falling due:		
In one year or less or on demand	-	-
In one to two years	-	-
In two to five years	-	12,750,000
	-	12,750,000

10. Share capital

	2012 £	*2011* £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

11. Reserves

	Profit and loss account £
As at 1 October 2011	369
Loss for the year	(833,956)
As at 30 September 2012 - deficit	(833,586)

12. Reconciliation of movement in shareholders' funds

	2012 £	*2011* £
Opening shareholders' funds	370	116,269
Loss for the year	(833,956)	(64,899)
Dividend paid	-	(51,000)
Closing shareholders' (deficit) / funds	(833,586)	370

13. Related party transactions

During the prior year, Watkin Jones & Son Limited purchased the company from Carlton (North Wales) Limited. At 30 September 2012, the company was owed £60,166 by (2011: owed £3,999,834 to) Carlton (North Wales) Limited.

14. Contingent liabilities

The company has granted a debenture containing a fixed and floating charge and has entered into a corporate guarantee of the group's bank borrowings from Bank of Scotland Plc, which at the balance sheet date amounted to £22,188,660 (2011 – £42,679,365).

On 21 November 2012 the group completed a refinancing of its bank facilities with HSBC and on this date the group's borrowings from Bank of Scotland Plc were fully repaid. The company is not a party to the cross guarantee arrangements relating to the new HSBC facility and consequently it has no remaining contingent liability.

The company is party to a counter indemnity in respect of performance bonds entered into by itself and other group companies with Euler Hermes Europe S.A. (N.V.) which amounted to £1,906,353 at 30 September 2012 (2011: £2,804,887).

No material liability is expected to arise as a result of this arrangement.

15. Ultimate parent undertaking and controlling party

The company's immediate parent company is Watkin Jones & Son Limited, which as at 30 September 2012, held 100% of the issued share capital of Logie Green Developments Limited. Watkin /jones & Son Limited has confirmed its willingness to provide such financial support as is necessary, for a period of not less than 12 months from the date of approval of these accounts, to enable the company to meet its liabilities as they fall due.

The ultimate parent company is Watkin Jones Group Limited. The smallest and largest group of undertakings in which the company is consolidated is Watkin Jones Group Limited. Copies of its group accounts, which include the company, are available from its registered office: Units 21-22, Llandygai Industrial Estate, Bangor, Gwynedd, LL57 4YH.

Advantage has been taken of the exemption provided by FRS 8.3c 'Related Party Transactions' and transactions with other group undertakings have not been disclosed in the accounts.