

LAING/GLADEDALE (ST SAVIOURS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011



Registered Number 7097209

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2011

CONTENTS	Page
Directors and advisors	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report to the members of Laing/Gladedale (St Saviours) Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-9

DIRECTORS AND ADVISORS

Directors

J R Brodie

M Woodhouse

S D Yeatman

(resigned 11/01/2012)

(appointed 11/01/2012)

Company secretary and registered office

R K Miller

Allington House

150 Victoria Street

London

SW1E 5LB

Auditor

Deloitte LLP

Chartered Accountants

London

Solicitors

Denton Wilde Sapte

1 Fleet Place

London

EC4M 7WS

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2011

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

The Company is a wholly owned subsidiary of Laing/Gladedale (Hastings) Holdings Limited, which in turn is jointly owned and controlled by John Laing Projects & Developments (Holdings) Limited and Gladedale Estates Limited

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

A project agreement was signed on 12 November 2007 by Laing/Gladedale (Hastings) Holdings Limited, this Company's parent company, for the purchase of the surplus sites at Hastings College The Little Moreton, Archery Road and St Saviour sites were purchased in 2010 Little Moreton is held at its net realisable value Planning and design work for residential development continued throughout the year at the Archery Road site

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate In reaching this conclusion, the Directors have specifically considered the Company's relationships with its immediate parent company More information is provided in note 1 to the financial statements

RESULTS AND DIVIDENDS

The loss for the year before and after taxation amounted to £29,647 (period to 31 December 2010 - £500,982)

The Directors do not recommend the payment of a dividend (period to 31 December 2010 - £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk faced by the Company is the continued volatility in the regional housing market which the Directors continue to monitor

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1

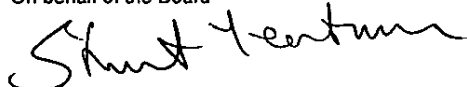
EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 8

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an AGM

On behalf of the Board



S D Yeatman
Director
30 March 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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 AUDITOR'S REPORT TO THE MEMBERS OF LAING/GLADEDALE (ST SAVIOURS) LIMITED

We have audited the financial statements of Laing/Gladedale (St Saviours) Limited for the year ending 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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 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, 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 (APB'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 annual report to identify material inconsistencies in the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for 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 31 December 2011 and of its loss 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.

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 in preparing the Directors' Report.



Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 March 2012

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	Period from 7 December 2009 to 31 December 2010 £
Other operating income and administrative expenses		(29,647)	(1,000)
Impairment of stock	6	-	(499,982)
Operating loss	2	(29,647)	(500,982)
Loss on ordinary activities before taxation		(29,647)	(500,982)
Tax on loss on ordinary activities	5	-	-
Loss for the financial period	10	(29,647)	(500,982)

A reconciliation of movements in shareholder's deficit is given in note 11

All items in the profit and loss account relate to continuing operations

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents

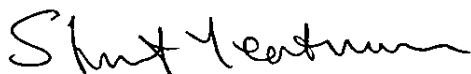
All gains and losses are recognised in the profit and loss account in the current period, and therefore no separate statement of total recognised gains and losses has been presented

LAING/GLADEDALE (ST SAVIOURS) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
Current assets			
Stock	6	7,476,632	7,382,364
Debtors - due within one year	7	<u>1,643</u>	<u>1</u>
		7,478,275	7,382,365
Current liabilities			
Creditors amounts falling due within one year	8	(487,793)	(342,236)
Net current assets		<u>6,990,482</u>	<u>7,020,129</u>
Creditors amounts falling due after more than one year	8	(7,521,110)	(7,521 110)
Net liabilities		<u>(530,628)</u>	<u>(500,981)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(530,629)	(500,982)
Shareholder's deficit	11	<u>(530,628)</u>	<u>(500,981)</u>

The financial statements of Laing/Gladedale (St Saviours) Limited, registered number 7097209, were approved by the Board of Directors and authorised for issue on 30 March 2012. They were signed on its behalf by



S D Yeatman
Director
30 March 2012

Notes to the financial statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently from the start of the period, is shown below.

The Company is a wholly owned subsidiary undertaking of Laing/Gladedale (Hastings) Holdings Limited and as such is exempt under FRS1 (revised 1996) from the requirement to prepare its own cash flow statement.

The Company has net liabilities as at 31 December 2011 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due. A letter of support has been provided by John Laing Investments Limited and Gladedale Holdings Limited, which states their intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Turnover

Turnover is derived entirely in the United Kingdom and is net of VAT and is recognised at the date of sale of each unit.

c) Operating costs

All operating costs, except for sales and marketing, are capitalised and will be apportioned and expensed with the sale of each unit. Sales, marketing and other overhead costs are expensed as incurred.

d) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

e) Inventories

Work in progress comprises of freehold land and development costs which have been incurred. These assets are held at the lower of cost and net realisable value.

Notes to the financial statements for the year ended 31 December 2011 (continued)

2 OPERATING LOSS

	2011 £	Period from 7 December 2009 to 31 December 2010 £
Operating loss is stated after charging		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,750	-
Other operating costs	24,897	1,000
Impairment of stock	-	499,982
	<u>-</u>	<u>-</u>

In the period to 31 December 2010 the Company's audit fee was borne by Laing/Gladedale (Hastings) Limited

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current year or preceding period. The Company is managed by secondees from the shareholders under a management services contract.

4 STAFF NUMBERS

The Company had no employees during the current year or preceding period.

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	2011 £	Period from 7 December 2009 to 31 December 2010 £
Loss on ordinary activities before taxation	<u>(29,647)</u>	<u>(500,982)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (period to 31 December 2010 - 28%)	7,856	140,275
Effects of		
Transfer pricing	29,897	28,127
Tax losses not recognised	<u>(37,763)</u>	<u>(168,402)</u>
Total current tax for the year	<u>-</u>	<u>-</u>

As at 31 December 2011 there is an unrecognised deferred tax asset of £49,968 (2010 - £168,402), calculated at the closing rate of 25%, in respect of tax losses carried forward.

In the current year, the unrecognised deferred tax asset balance brought forward was adjusted because the loss in the prior period relating to impairment of inventory was deemed disallowable for tax purposes.

6 STOCKS

	2011 £	2010 £
Work in progress	<u>7,476,632</u>	<u>7,362,384</u>

The impairment of stock for the year amounted to £nil (period to 31 December 2010 - £499,982).

7 DEBTORS

	2011 £	2010 £
Due within one year		
Amounts owed by parent undertaking	1	1
Prepayments and accrued income	<u>1,642</u>	<u>-</u>
	<u>1,643</u>	<u>1</u>

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 CREDITORS

	2011 £	2010 £
Amounts falling due within one year		
Amounts owed to group undertakings	483,043	341,236
Accruals and deferred income	4,750	1,000
	<u>487,793</u>	<u>342,236</u>
Amounts falling due after more than one year		
Amounts owed to group undertakings	<u>7,521,110</u>	<u>7,521,110</u>

The amounts owed to group undertakings will be repaid after the Sites are sold, which will not be within a year. There is no interest payable on this balance.

9 CALLED UP SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

10 MOVEMENT IN RESERVES

	Profit and loss account £'000
At 1 January 2011	(500,982)
Loss for the financial period	(29,647)
At 31 December 2011	<u>(530,629)</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2011 £	2010 £
Loss for the financial period	(29,647)	(500,982)
New shares issued	-	1
Net addition to shareholder's deficit	<u>(29,647)</u>	<u>(500,981)</u>
Opening shareholder's deficit	<u>(500,981)</u>	-
Closing shareholder's deficit	<u>(530,628)</u>	<u>(500,981)</u>

12 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Laing/Gladedale (Hastings) Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with Laing/Gladedale (Hastings) Holdings Limited and Laing/Gladedale (Hastings) Limited. Note 13 gives details of how to obtain a copy of the published financial statements of Laing/Gladedale (Hastings) Holdings Limited.

13 ULTIMATE PARENT UNDERTAKING

The Company's parent company is Laing/Gladedale (Hastings) Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The share capital of Laing/Gladedale (Hastings) Holdings Limited is shared between John Laing Projects and Developments (Holdings) Limited (50%) and Gladedale Special Projects Limited (50%).