

LLANOVER PROPERTIES LIMITED

Report and Financial Statements

31 March 2012

MONDAY



A10X3PXE

A11

31/12/2012

#25

COMPANIES HOUSE

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A E Herbert, CBE
R E Phillips, FRICS

SECRETARY

A Howell

REGISTERED OFFICE

23a Gold Tops
Newport
South Wales
NP20 4UL

BANKERS

Butterfield Bank (UK) Limited
National Westminster Bank Plc

AUDITOR

Deloitte LLP
Cardiff

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

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

ACTIVITIES

The company is engaged in the business of property letting

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operating existence for the foreseeable future. On this basis they continue to adopt the going concern basis in preparing the financial statements. Further information in relation to going concern is provided in note 1 to the financial statements

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the company for the financial year are set out in the profit and loss account on page 6 and its position at the year-end is shown in the balance sheet on page 7

During the period, the company purchased the head leases of two units within the Cronin Courtyard development for a consideration of £500,000. These were funded in part by term loans of £196,000 and £154,000 from Royal Bank of Scotland which expire in October 2014 and November 2014 respectively

The directors consider that the company is well placed to continue to trade profitably in the future

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2011 - £nil)

DIRECTORS

The directors of the company, who served throughout the financial year, are as shown on page 1

CHARITABLE DONATIONS

During the year the company made charitable donations of £50,000 (2011 - £60,350) to the RAEH Charitable Trust

DIRECTORS' REPORT (continued)

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved

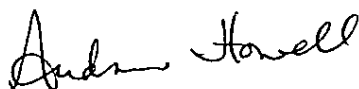
- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

A Howell
Secretary



Date

21/12/2012

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 period. 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 LLANOVER PROPERTIES LIMITED

We have audited the financial statements of Llanover Properties Limited for the year ended 31 March 2012 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 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 with 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 March 2012 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.

David Hedditch

David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

Date *27 December 2012*

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2012

	Note	2012 £	2011 £
TURNOVER	1	880,500	733,378
Cost of sales		<u>(20,810)</u>	<u>(25,932)</u>
GROSS PROFIT		859,690	707,446
Other income		52,500	-
Administrative expenses		<u>(756,973)</u>	<u>(590,466)</u>
OPERATING PROFIT		155,217	116,980
Profit on disposal of fixed asset investment	4	-	102,560
Income from fixed asset investments		2	2
Interest receivable and similar income	3	28	2,446
Interest payable and similar charges	9	<u>(134,733)</u>	<u>(72,344)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	20,514	149,644
Tax charge on profit on ordinary activities	5	<u>(35,205)</u>	<u>(33,783)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	<u><u>(14,691)</u></u>	<u><u>115,861</u></u>

All activities derive from continuing operations

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented

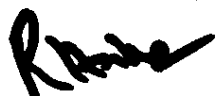
LLANOVER PROPERTIES LIMITED

BALANCE SHEET 31 March 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	6	10,297,279		9,764,871	
Investments	7	<u>534,041</u>		<u>784,258</u>	
			10,831,320		10,549,129
CURRENT ASSETS					
Debtors	8	306,473		242,322	
Cash at bank and in hand		<u>78,407</u>		<u>44,413</u>	
		384,880		286,735	
CREDITORS: amounts falling due within one year	9	<u>(2,059,302)</u>		<u>(1,644,084)</u>	
NET CURRENT LIABILITIES			(1,674,422)		(1,357,349)
TOTAL ASSETS LESS CURRENT LIABILITIES			9,156,898		9,191,780
CREDITORS amounts falling due after more than one year	9		(2,258,333)		(2,270,831)
PROVISIONS FOR LIABILITIES	10		<u>(82,787)</u>		<u>(90,480)</u>
NET ASSETS			<u>6,815,778</u>		<u>6,830,469</u>
SHARE CAPITAL AND RESERVES					
Called up share capital	11		20,000		20,000
Capital reserve	12		613,262		613,262
Profit and loss account	12		<u>6,182,516</u>		<u>6,197,207</u>
SHAREHOLDERS' FUNDS	12		<u>6,815,778</u>		<u>6,830,469</u>

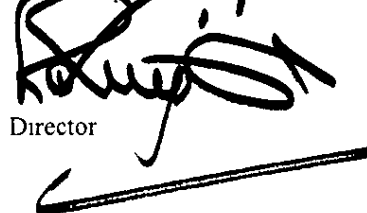
The financial statements of Llanover Properties Limited, registered number 734316, were approved and signed by the Board of Directors and authorised for issue on 21 December 2012

R A E Herbert, CBE



Director

R E Phillips, FRICS



Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

Going concern

In preparing the financial statements the directors have considered the current financial position of the company and the likely future cash flows. At the date of issuing the financial statements, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In forming this conclusion, the directors note that the company has reported a profit in the current financial year and is forecast to continue this in the future. Furthermore, the company's trading activities are cash-generative and are forecast to continue to be so in the future, thus enabling the company to meet its financial obligations as they fall due and for at least 12 months from the date of issuing the financial statements.

The company has bank borrowings and cash reserves and is forecast to meet all bank repayments as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

Group financial statements have not been prepared as the group is entitled to the exemption conferred by section 400 of the Companies Act 2006 from the requirement to prepare them. These financial statements therefore present information concerning Llanover Properties Limited only.

Cash flow statement

Under Financial Reporting Standard 1, the company is not required to prepare a cash flow statement as it qualifies as a small company.

Tangible fixed assets

Tangible fixed assets are depreciated at cost in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Freehold property	- 2% per annum
Plant, machinery and office equipment	- 15%-25% per annum

Investment properties

The company's freehold land and buildings at Tyson Courtyard, Corby, are treated as investment properties, as defined by Statement of Standard Accounting Practice No. 19, and their carrying value is reviewed annually by the directors. Accordingly, they are not depreciated. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is (charged)/credited to the profit and loss account.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, it is necessary to adopt SSAP 19 and not depreciate in order to give a true and fair view. If this departure from the Act had not been made, the profit for the year would have been reduced by depreciation. However, the amount of depreciation cannot be reasonably quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

1. ACCOUNTING POLICIES (continued)

Investments

Fixed asset investments are stated at cost less provision for any impairment

Current asset investments are stated at the lower of cost and net realisable value

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Turnover and revenue recognition

Turnover in respect of rents receivable is recognised over the period to which the rent relates. Turnover is stated net of value added tax and arises in the United Kingdom

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2012 £	2011 £
Directors' emoluments		
Fees	66,328	54,937
	£	£
Employee costs during the year (including directors)		
Wages and salaries	78,437	57,643
Social security costs	7,054	5,690
	85,491	63,333
	No.	No.
Average number of persons employed (excluding directors)		
Administration	1	1

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Bank interest	28	2,446

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2012 £	2011 £
Profit on ordinary activities before taxation is after charging		
Auditor's remuneration – audit services	5,700	5,400
Depreciation - owned assets	20,437	22,482
Impairment of investment	134,494	19,500
	<u> </u>	<u> </u>
And after crediting		
Income from investments	2	2
Profit on disposal of fixed asset investment	-	102,560
	<u> </u>	<u> </u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
Current taxation		
United Kingdom corporation tax		
Current tax on income for the year at 26% (2011 – 21%)	(42,720)	(12,835)
Adjustment in respect of prior years	(178)	-
	<u> </u>	<u> </u>
Total current tax	(42,898)	(12,835)
	<u> </u>	<u> </u>
Deferred taxation	7,693	(20,948)
	<u> </u>	<u> </u>
	(35,205)	(33,783)
	<u> </u>	<u> </u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	£	£
Profit on ordinary activities before tax	20,514	149,644
	<u> </u>	<u> </u>
Tax on profit on ordinary activities before tax at 26% (2011 – 21%)	(5,334)	(31,425)
	<u> </u>	<u> </u>
Factors affecting charge for the year		
Expenses not deductible for tax purposes	(41,767)	(4,095)
Capital allowances in excess of depreciation	(623)	20,980
Non taxable income	244	-
Non-taxable accounting gain	-	21,537
Chargeable gain	-	(24,270)
Adjustment in respect of prior years	(178)	-
Group relief	-	4,438
Marginal relief	4,760	-
	<u> </u>	<u> </u>
Current tax charge for the year	(42,898)	(12,835)
	<u> </u>	<u> </u>

The forthcoming changes in the corporation tax rate from 26% to 24% in future years will not materially affect the future tax charge

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

6. TANGIBLE FIXED ASSETS

	Freehold properties	Investment properties			
	Cordes Trading Estate £	Tyson Courtyard, Corby £	Cronin Courtyard, Corby £	Plant, machinery and office equipment £	Total £
Cost					
At 1 April 2011	36,213	5,840,127	3,853,464	138,516	9,868,320
Additions	23,917	-	528,928	-	552,845
At 31 March 2012	60,130	5,840,127	4,382,392	138,516	10,421,165
Depreciation					
At 1 April 2011	22,568	-	-	80,881	103,449
Charge for the year	750	-	-	19,687	20,437
At 31 March 2012	23,318	-	-	100,568	123,886
Net book value					
At 31 March 2012	36,812	5,840,127	4,382,392	37,948	10,297,279
At 31 March 2011	13,645	5,840,127	3,853,464	57,635	9,764,871

Investment properties were valued on an open market existing use basis at 31 March 2012 by R A E Herbert, CBE, and R E Phillips, FRICS, who are both directors of the company. Such properties are not depreciated. The directors consider that the market value of the investment properties at 31 March 2012 was not materially different from the cost.

7. INVESTMENTS

	Subsidiary £	Unlisted investments £	Total £
Cost			
At 1 April 2011	10,000	793,758	803,758
Disposals	-	(115,723)	(115,723)
At 31 March 2012	10,000	678,035	688,035
Provisions for impairment			
At 1 April 2011	-	19,500	19,500
Written off	-	134,494	134,494
At 31 March 2012	-	153,994	153,994
Net book value			
At 31 March 2012	10,000	524,041	534,041
At 31 March 2011	10,000	774,258	784,258

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

7. INVESTMENTS (continued)

The investment in the subsidiary relates to a 100% holding in Llanover Properties (Corby) Limited, a company registered in England and Wales. The company - the principal activity of which is that of property investment - during the year ended 31 March 2012 recorded a profit of £ (2011 - £28,766) and had net assets of £ (2011 - £1,994,921) at that date.

Unlisted investments comprise stocks and shares held in a number of private limited companies. During 2012 The Ceero Limited Partnership made a Capital Distribution of €139,080 (£115,723).

8 DEBTORS

	2012 £	2011 £
Trade debtors	130,118	109,262
Amounts owed by related parties	125,000	125,000
Other debtors and prepayments	51,355	8,060
	<u>306,473</u>	<u>242,322</u>

9 CREDITORS

	2012 £	2011 £
Falling due within one year		
Bank loans	333,332	216,668
Trade creditors	55,272	138,688
Amounts owed to subsidiary company	1,092,001	968,203
Corporation tax	44,453	12,835
Other creditors	91,063	80,578
Other taxation and social security	32,096	1,670
Amounts owed to related parties	203,760	44,526
Accruals and deferred income	207,325	180,916
	<u>2,059,302</u>	<u>1,644,084</u>

The amounts owed to subsidiary company are unsecured, interest-free and repayable on demand.

	£	£
Falling due after more than one year		
Bank loans		
Within one to two years	2,170,835	216,668
Between two and five years	87,498	2,054,163
	<u>2,258,333</u>	<u>2,270,831</u>

The bank loans are three term loans held with Royal Bank of Scotland of (a) £2,650,000, (b) £196,000 and (c) £154,000, which are due to expire in May 2013, October 2014 and November 2014 respectively. The loans are repayable in 11 quarterly instalments of £54,167, £16,333 and £12,833 respectively, followed by a final instalment for loan (a) of £2,054,163. The interest rates applicable to the loans are LIBOR plus 2.25% and the loans are secured against (a) Units 1-10, (b) Unit 13 and (c) Unit 12 of Cronin Courtyard respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

10 PROVISIONS FOR LIABILITIES

	£
Deferred taxation	
Provision brought forward	90,480
Credit to profit and loss account	(7,693)
	<u>82,787</u>
Provision carried forward	<u>82,787</u>

The amounts of deferred taxation provided in the financial statements are as follows

	2012 £	2011 £
Capital allowances in excess of depreciation	<u>82,787</u>	<u>90,480</u>

11. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Authorised, allotted and fully paid		
20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

12 COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Profit and loss account £	Capital reserve £	Share capital £	Total 2012 £	Total 2011 £
At 1 April	6,197,207	613,262	20,000	6,830,469	6,714,608
(Loss)/profit for the financial year	(14,691)	-	-	(14,691)	115,861
At 31 March	<u>6,182,778</u>	<u>613,262</u>	<u>20,000</u>	<u>6,815,778</u>	<u>6,830,469</u>

The company's articles require profits arising on the sale of fixed assets to be transferred to the capital reserve

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2012

13 TRANSACTIONS WITH RELATED PARTIES

Name of related party	Director with a significant interest
Newbridge Construction Limited	R A E Herbert, CBE, and R E Phillips, FRICS
Trustees of Llanover Estate	R A E Herbert, CBE
Trustees of Llanarth Estate	R A E Herbert, CBE
R E Phillips & Partners	R E Phillips, FRICS
Pontymister Developments Limited	R E Phillips, FRICS
Concorde Homes Limited	R E Phillips, FRICS
Sully Development Company Limited	R A E Herbert, CBE
Garden Centre Property Development Trading plc	R A E Herbert, CBE
RAEH Charitable Trust	R A E Herbert, CBE
Newport Auto Finance Limited	R A E Herbert, CBE

During the year, Llanover Properties Limited made purchases from Trustees of Llanarth Estate of £28,500 (2011 - £23,000), R E Phillips & Partners of £82,557 (2011 - £56,849), Newbridge Construction Limited of £3,130 (2011 - £2,608), Trustees of Llanover Estate of £4,535 (2011 - £4,311), Pontymister Developments Limited of £22,097 (2011 - £111,285), and Concorde Homes Limited of £13,500 (2011 - £nil)

Sully Development Company Limited owed the company £125,000 at 31 March 2012 (2011 - £125,000)

The company owed R E Phillips & Partners £600 at 31 March 2012 (2011 - R E Phillips & Partners owed the company £12,663)

The company owed Trustees of Llanarth Estate £22,000 at 31 March 2012 (2011 - £23,750)

The company owed Newport Auto Finance Limited £175,111 at 31 March 2012 (2011 - £nil)

The company owed Pontymister Developments Limited £2,920 at 31 March 2012 (2011 - £5,505)

The company owed Newbridge Construction Limited £3,130 at 31 March 2012 (2011 - £2,608)

Llanover Properties Limited holds shares in Garden Centre Property Development Trading plc. The investment held at 31 March 2012 was £159,060 (2011 - £250,000)

Llanover Properties Limited made charitable donations of £50,000 (2011 - £60,350) to the RAEH Charitable Trust during the year

The company has taken advantage of the exemption under FRS 8, 'Related party disclosures', as a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking and has not disclosed transactions with other group companies