

# REGISTRAR OF COMPANIES

**LLANOVER PROPERTIES LIMITED**

**Report and Financial Statements**

**31 March 2010**

WEDNESDAY



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COMPANIES HOUSE

**REPORT AND FINANCIAL STATEMENTS 2010**

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# **LLANOVER PROPERTIES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

R A E Herbert, CBE  
R E Phillips, FRICS

### **SECRETARY**

D G Metters

### **REGISTERED OFFICE**

23a Gold Tops  
Newport  
South Wales  
NP20 4UL

### **BANKERS**

Butterfield Bank (UK) Limited  
National Westminster Bank Plc

### **AUDITORS**

Deloitte LLP  
Cardiff

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2010

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.

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 (2009 - £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 £60,000 (2009 - £60,000) to the RAEH Charitable Trust.

**DIRECTORS' REPORT (continued)**

**AUDITORS**

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 auditors are 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 auditors are 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 auditors 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



D G Metters  
Secretary

Date 10/12/10

## **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 AUDITORS' REPORT TO THE MEMBERS OF LLANOVER PROPERTIES LIMITED**

We have audited the financial statements of Llanover Properties Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 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 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.

### **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 2010 and of its profit 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.

  
**John Antoniazzi (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditors  
Cardiff, United Kingdom

Date 17 December 2010.

# LLANOVER PROPERTIES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2010

	Note	2010 £	2009 £
<b>TURNOVER</b>	1	<u>521,601</u>	<u>492,062</u>
<b>GROSS PROFIT</b>		521,601	492,062
Administrative expenses		<u>(562,260)</u>	<u>(518,449)</u>
<b>OPERATING LOSS</b>		(40,659)	(26,387)
Profit on disposal of fixed asset investment		-	818,062
Income from fixed asset investments		100	9,296
Interest receivable and similar income	3	<u>82,714</u>	<u>81,642</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	42,155	882,613
Tax on profit on ordinary activities	5	<u>14,912</u>	<u>(216,034)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<u><u>57,067</u></u>	<u><u>666,579</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

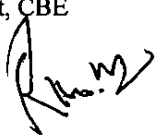
## BALANCE SHEET 31 March 2010

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	6	5,750,542		5,670,484	
Investments	7	<u>913,672</u>		<u>657,124</u>	
			6,664,214		6,327,608
<b>CURRENT ASSETS</b>					
Debtors	8	282,763		309,353	
Cash at bank and in hand		<u>1,446,672</u>		<u>1,558,844</u>	
		1,729,435		1,868,197	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,609,509)</u>		<u>(1,480,507)</u>	
<b>NET CURRENT ASSETS</b>			119,926		387,690
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,784,140		6,715,298
<b>PROVISIONS FOR LIABILITIES</b>	10		<u>(69,532)</u>		<u>(57,757)</u>
<b>NET ASSETS</b>			<u>6,714,608</u>		<u>6,657,541</u>
<b>SHARE CAPITAL AND RESERVES</b>					
Called up share capital	11		20,000		20,000
Capital reserve	12		613,262		613,262
Profit and loss account	12		<u>6,081,346</u>		<u>6,024,279</u>
<b>SHAREHOLDERS' FUNDS</b>	12		<u>6,714,608</u>		<u>6,657,541</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 10/12/10

R A E Herbert, CBE

Director



R E Phillips, FRICS

Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**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 no bank borrowings and has significant cash reserves. 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 requirements 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 2010**

**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**

	2010 £	2009 £
<b>Directors' emoluments</b>		
Fees	54,588	44,624
	£	£
<b>Employee costs during the year (including directors)</b>		
Wages and salaries	54,827	45,388
Social security costs	6,526	4,972
	61,353	50,360
	No.	No.
<b>Average number of persons employed (excluding directors)</b>		
Administration	1	1

**3. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2010 £	2009 £
Bank interest	82,714	81,642

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2010 £	2009 £
<b>Profit on ordinary activities before taxation is after charging</b>		
Auditors' remuneration – audit services	5,400	5,260
Depreciation - owned assets	13,693	13,694
	<u>19,093</u>	<u>18,954</u>
<b>And after crediting</b>		
Income from investments	100	9,296
Profit on disposal of fixed asset investment	-	818,062
	<u>100</u>	<u>827,358</u>

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2010 £	2009 £
<b>Current taxation</b>		
United Kingdom corporation tax		
Current tax on income for the year at 21% (2009 – 28%)	-	(221,654)
Adjustment in respect of prior years	26,687	2,663
	<u>26,687</u>	<u>(218,991)</u>
<b>Total current tax</b>	<u>26,687</u>	<u>(218,991)</u>
Deferred taxation	(11,775)	2,957
	<u>14,912</u>	<u>(216,034)</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	42,155	882,613
Tax on profit on ordinary activities before tax at 21% (2009 – 28%)	(8,853)	(247,132)
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax purposes	-	(219)
Capital allowances in excess of depreciation	8,832	1,754
UK dividend income	21	2,603
Chargeable gains	-	(207,717)
Adjustment in respect of prior years	26,687	2,663
Profit on disposal of fixed asset	-	229,057
	<u>26,687</u>	<u>(218,991)</u>
<b>Current tax charge for the year</b>	<u>26,687</u>	<u>(218,991)</u>

The forthcoming changes in the corporation tax rate from 21% to 20% in future years will not materially affect the future tax charge

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**6. TANGIBLE FIXED ASSETS**

	<b>Freehold properties</b>		<b>Investment properties</b>	<b>Plant, machinery and office equipment</b>	<b>Total</b>
	<b>Cordes Trading Estate £</b>	<b>Belmont Road, Abergavenny £</b>	<b>Tyson Courtyard, Corby £</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2009	36,213	1	5,615,972	85,572	5,737,758
Additions	-	-	93,752	-	93,752
Disposals	-	(1)	-	-	(1)
<b>At 31 March 2010</b>	<b>36,213</b>	<b>-</b>	<b>5,709,724</b>	<b>85,572</b>	<b>5,831,509</b>
<b>Depreciation</b>					
At 1 April 2009	21,068	-	-	46,206	67,274
Charge for the year	750	-	-	12,943	13,693
<b>At 31 March 2010</b>	<b>21,818</b>	<b>-</b>	<b>-</b>	<b>59,149</b>	<b>80,967</b>
<b>Net book value</b>					
At 31 March 2010	14,395	-	5,709,724	26,423	5,750,542
At 31 March 2009	15,145	1	5,615,972	39,366	5,670,484

Investment properties were valued on an open market existing use basis at 31 March 2010 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 2010 was not materially different from the cost.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**7. INVESTMENTS**

	Subsidiary £	Unlisted investments £	Total £
<b>Cost</b>			
At 1 April 2009	10,000	647,124	657,124
Additions	-	256,548	256,548
	<u>10,000</u>	<u>903,672</u>	<u>913,672</u>
At 31 March 2010	10,000	903,672	913,672
<b>Net book value</b>			
At 31 March 2010	<u>10,000</u>	<u>903,762</u>	<u>913,672</u>
At 31 March 2009	<u>10,000</u>	<u>647,124</u>	<u>657,124</u>

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 2010 recorded a profit of £43,162 (2009 - £192,550) and had net assets of £1,966,155 (2009 - £1,922,993) at that date.

Unlisted investments comprise stocks and shares held in a number of private limited companies.

**8. DEBTORS**

	2010 £	2009 £
Trade debtors	95,683	85,769
Amounts owed by related parties	138,278	125,000
Other debtors and prepayments	48,802	98,584
	<u>282,763</u>	<u>309,353</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	6,719	107,109
Amounts owed to subsidiary company	999,562	924,562
Corporation tax	1,706	248,341
Other creditors	64,583	53,584
Other taxation and social security	16,982	-
Amounts owed to related parties	127,592	-
Director's loan	240,000	-
Accruals and deferred income	152,365	146,911
	<u>1,609,509</u>	<u>1,480,507</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 March 2010**

**10. PROVISIONS FOR LIABILITIES**

	£
<b>Deferred taxation</b>	
Provision brought forward	57,757
Credit to profit and loss account	11,775
	<u>69,532</u>
Provision carried forward	<u>69,532</u>

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

	2010 £	2009 £
Capital allowances in excess of depreciation	<u>69,532</u>	<u>57,757</u>

**11. CALLED UP SHARE CAPITAL**

	2010 £	2009 £
<b>Authorised, allotted and fully paid</b>		
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 2010 £	Total 2009 £
At 1 April	6,024,279	613,262	20,000	6,657,541	5,990,962
Profit for the financial year	<u>57,067</u>	<u>-</u>	<u>-</u>	<u>57,067</u>	<u>666,579</u>
At 31 March	<u>6,081,346</u>	<u>613,262</u>	<u>20,000</u>	<u>6,714,608</u>	<u>6,657,541</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 2010**

**13. TRANSACTIONS WITH RELATED PARTIES**

<b>Name of related party</b>	<b>Director with a significant interest</b>
Newbridge Construction Limited	R A E Herbert, CBE, and R E Phillips, FRICS
Trustees of Llanarth Estate	R A E Herbert, CBE
R E Phillips & Partners	R E Phillips, FRICS
Pontymister Developments Limited	R E Phillips, FRICS
Sully Development Company Limited	R A E Herbert, CBE
Country Home and Gardens 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 £24,725 (2009 - £28,075), R E Phillips & Partners of £68,516 (2009 - £46,002), and Pontymister Developments Limited of £122,944 (2009 - £5,290)

Sully Development Company Limited owed the company £125,000 at 31 March 2010 (2009 - £125,000)

R E Phillips & Partners owed the company £13,278 at 31 March 2010 (2009 - £nil)

The company owed Newport Auto Finance Limited £125,000 at 31 March 2010 (2009 - £nil)

The company owed Pontymister Developments Limited £2,592 at 31 March 2010 (2009 - £nil)

Llanover Properties Limited holds shares in Country Homes and Gardens Limited. The investment held at 31 March 2010 was £250,000 (2009 - £250,000)

Llanover Properties Limited made charitable donations of £60,000 (2009 - £60,000) 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 more than 90% controlled by the ultimate parent undertaking and has not disclosed transactions with other group companies

**14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

Llanover Properties Limited is the ultimate parent company. There is no ultimate controlling party.