

Financial Statements

Llanover Properties Limited

For the Year Ended 31 March 2017

Registered number: 00734316

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COMPANIES HOUSE

Llanover Properties Limited

Company Information

Directors

R A E Herbert, CBE (resigned 5 December 2016)
R E Phillips, FRICS (resigned 5 December 2016)
S M Ford
H E Murray

Company secretary

C M A Lane, FCA

Registered number

00734316

Registered office

23a Gold Tops
Newport
South Wales
NP20 4UL

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP

Bankers

National Westminster Bank Plc
High Street
Newport
South Wales
NP20 1GG

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Directors' Report

For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £789,129 (2016 - £230,885).

Directors

The directors who served during the year were:

R A E Herbert, CBE (resigned 5 December 2016)
R E Phillips, FRICS (resigned 5 December 2016)
S M Ford
H E Murray

Disclosure of information to auditor

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

- so 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Llanover Properties Limited

Directors' Report (continued)

For the Year Ended 31 March 2017

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 23/10/2017 and signed on its behalf.



C M A Lane, FCA
Secretary



Independent Auditor's Report to the Shareholders of Llanover Properties Limited

We have audited the financial statements of Llanover Properties Limited for the year ended 31 March 2017, set out on pages 5 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 on page 1, 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 Financial Reporting Council'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 31 March 2017 and of its profit or 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.



Independent Auditor's Report to the Shareholders of Llanover Properties Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Rhian Owen (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

11/13 Penhill Road
Cardiff
South Glamorgan
CF11 9UP

Date: 23 October 2017

Statement of Comprehensive Income

For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover		1,039,132	976,250
Cost of sales		(29,848)	(29,848)
Gross profit		1,009,284	946,402
Administrative expenses		(691,905)	(583,921)
Other operating income	3	6,504	78,258
Fair value movements		718,820	-
Operating profit		1,042,703	440,739
Interest payable and expenses		(164,166)	(154,511)
Profit before tax		878,537	286,228
Tax on profit	14	(89,408)	(55,343)
Profit for the financial year		789,129	230,885
Deferred tax		5,616	11,234
Other comprehensive income for the year		5,616	11,234
Total comprehensive income for the year		794,745	242,119

The notes on pages 7 to 16 form part of these financial statements.

Statement of Financial Position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	13,491,108	12,465,409
Investments	7	182,161	190,788
		<u>13,673,269</u>	<u>12,656,197</u>
Current assets			
Debtors: amounts falling due within one year	8	1,184,639	772,726
Cash at bank and in hand	9	68,292	346,639
		<u>1,252,931</u>	<u>1,119,365</u>
Creditors: amounts falling due within one year	10	(3,145,317)	(3,872,957)
Net current liabilities		<u>(1,892,386)</u>	<u>(2,753,592)</u>
Total assets less current liabilities		<u>11,780,883</u>	<u>9,902,605</u>
Creditors: amounts falling due after more than one year	11	(1,099,741)	-
Provisions for liabilities			
Deferred tax	14	(242,777)	(158,985)
		<u>(242,777)</u>	<u>(158,985)</u>
Net assets		<u><u>10,438,365</u></u>	<u><u>9,743,620</u></u>
Capital and reserves			
Called up share capital		20,000	20,000
Revaluation reserve	15	2,134,386	2,128,770
Capital redemption reserve	15	-	613,262
Profit and loss account	15	8,283,979	6,981,588
		<u><u>10,438,365</u></u>	<u><u>9,743,620</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23/10/17

H E Murray
Director

S M Ford
Director

The notes on pages 7 to 16 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

1. General information

Llanover Properties Limited is a company limited by shares, incorporated in Wales, United Kingdom, with its registered office at: 23a Gold Tops, Newport, South Wales, NP20 4UL. The financial statements are prepared in sterling, the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

Llanover Properties Limited's principal activity is property lettings.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue in respect of rents receivable is recognised over the period to which the rent relates. Revenue is stated net of value added tax and arises in the United Kingdom.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 2% per annum
Leasehold property	- over the period of the lease
Plant, machinery and office equipment	- 15% - 25% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of financial position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 March 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Other operating income

	2017 £	2016 £
Other income	-	2,318
Income from dilapidations	-	95,000
Profit/(Loss) on disposal of tangible assets	6,504	(19,060)
	<u>6,504</u>	<u>78,258</u>

4. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>6,600</u>	<u>7,000</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

5. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 3).

6. Tangible fixed assets

	Freehold properties Cordes Trading Estate £	Leasehold Properties Cordes Trading Estate £	Investment Properties Tyson Courtyard, Corby £	Investment Properties Cronin Courtyard, Corby £	Plant, machinery and office equipment £	Total £
Cost or valuation						
At 1 April 2016	36,213	23,917	6,980,000	5,470,000	138,516	12,648,646
Additions	-	-	303,000	-	-	303,000
Revaluations	-	-	347,000	380,000	-	727,000
At 31 March 2017	<u>36,213</u>	<u>23,917</u>	<u>7,630,000</u>	<u>5,850,000</u>	<u>138,516</u>	<u>13,678,646</u>
Depreciation						
At 1 April 2016	26,215	23,917	-	-	133,105	183,237
Charge for the period on owned assets	724	-	-	-	3,577	4,301
At 31 March 2017	<u>26,939</u>	<u>23,917</u>	<u>-</u>	<u>-</u>	<u>136,682</u>	<u>187,538</u>
Net book value						
At 31 March 2017	<u>9,274</u>	<u>-</u>	<u>7,630,000</u>	<u>5,850,000</u>	<u>1,834</u>	<u>13,491,108</u>
At 31 March 2016	<u>9,998</u>	<u>-</u>	<u>6,980,000</u>	<u>5,470,000</u>	<u>5,411</u>	<u>12,465,409</u>

Investment properties were valued on an open market existing use basis.

Tyson Courtyard, Corby has been valued by an independent valuer, G Harvey, MRICS on behalf of Budworth Hardcastle Property Consultants. The property was valued in November 2016.

Cronin Courtyard, Corby has been valued by an independent valuer, M Steven, MRICS, of Linnells Property Consultants. The property was valued as at 31 March 2017.

The directors have exercised judgement by not recognising the full uplift, to account for changes in occupancy since the valuation date, and cost of repairs to be undertaken.

The historical cost of the investment properties are £5,838,783 (2016: £5,838,783) and £4,381,337 (2016: £4,381,337) for Tyson Courtyard and Cronin Courtyard respectively. The amount of deferred tax that has been provided on revalued fixed assets is £137,993 (2016: £101,110).

Notes to the Financial Statements

For the Year Ended 31 March 2017

7. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 April 2016	10,000	582,822	592,822
At 31 March 2017	10,000	582,822	592,822
Impairment			
At 1 April 2016	-	402,034	402,034
Charge for the period	-	8,627	8,627
At 31 March 2017	-	410,661	410,661
Net book value			
At 31 March 2017	10,000	172,161	182,161
At 31 March 2016	10,000	180,788	190,788

8. Debtors

	2017 £	2016 £
Trade debtors	187,079	130,266
Amounts owed by subsidiary company	818,469	475,461
Amounts owed by related parties	-	125,000
Other debtors	163,880	-
Prepayments and accrued income	15,211	41,999
	<u>1,184,639</u>	<u>772,726</u>

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	68,292	346,639
	<u>68,292</u>	<u>346,639</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans	61,741	1,162,497
Trade creditors	121,710	40,067
Amounts owed to group undertakings	2,535,650	2,294,382
Amounts owed to related parties	-	40,283
Corporation tax	16	65,640
Other taxation and social security	3,290	26,102
Other creditors	3,472	3,382
Accruals and deferred income	419,438	240,604
	<u>3,145,317</u>	<u>3,872,957</u>

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

	2017 £	2016 £
Bank loans	1,099,741	-
	<u>1,099,741</u>	<u>-</u>

Secured loans

The bank loans comprises one term loan held with Handelsbanken of £1,161,482 which is due to expire in November 2021. The interest rate applicable to the loan is LIBOR plus 3% and the loan is secured against units A-R of Tyson Courtyard.

Notes to the Financial Statements

For the Year Ended 31 March 2017

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	61,741	1,162,497
	<u>61,741</u>	<u>1,162,497</u>
Amounts falling due 1-2 years		
Bank loans	63,867	-
	<u>63,867</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	1,035,874	-
	<u>1,035,874</u>	<u>-</u>
Total bank loans payable	<u><u>1,161,482</u></u>	<u><u>1,162,497</u></u>

13. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	240,453	527,427
	<u>240,453</u>	<u>527,427</u>

Financial assets measured at fair value through profit or loss comprise cash and unlisted investments.

Notes to the Financial Statements

For the Year Ended 31 March 2017

14. Deferred taxation

	2017 £	2016 £
At 1 April 2016	(158,985)	(173,759)
(Charged)/Credited to the profit or loss	(89,408)	3,540
Credited to other comprehensive income	5,616	11,234
At 31 March 2017	(242,777)	(158,985)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	104,784	57,875
Revaluation of investment properties	137,993	101,110
	242,777	158,985

15. Reserves

Revaluation reserve

Recognises the difference between historical cost and revalued amounts.

Capital redemption reserve

Includes movements in share capital.

Profit and loss account

Includes all current and prior period retained profits and losses.

Notes to the Financial Statements

For the Year Ended 31 March 2017

16. Related party transactions

Name of Related Party	Relationship
Trustees of Llanover Estate	R A E Herbert, CBE (Director holding trusteeship)
Pontymister Developments Limited	R E Phillips, FRICS (Director with significant interest)
Sully Development Company Limited	R A E Herbert, CBE (Director with significant interest)
R E Phillips & Partners	R E Phillips, FRICS (Director with significant interest)

R A E Herbert and R E Phillips resigned as directors during the year.

During the year, Llanover Properties Limited made purchases from R E Phillips & Partners of £192,162 (2016: £85,226); Trustees of Llanover Estate of £45,236 (2016: £40,283); and Pontymister Developments Limited of £25,436 (2016: £2,166).

Sully Development Company Limited owed the Company £125,000 at 31 March 2017 (2016: £125,000).

The Company owed R E Phillips & Partners £110,082 at 31 March 2017 (2016: £10,000).

The Company owed Trustees of Llanover Estate £42,536 at 31 March 2017 (2016: £40,283).

The Company owed Pontymister Developments Limited £Nil at 31 March 2017 (2016: £Nil).

The Company has taken advantage of the exemptions available under FRS 102 section 33 and has not disclosed transactions with its 100% controlled subsidiary undertaking, Llanover Properties (Corby) Limited.

17. Controlling party

The directors do not believe that there is an ultimate controlling party.