

THE ALMANZORA GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2012

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THE ALMANZORA GROUP LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 MARCH 2012

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

PRINCIPAL ACTIVITY

The principal activity of the company is the marketing and sales as commission agents of property

RESULTS

The results for the year are detailed in the profit and loss account on page 5. The directors do not recommend the payment of a dividend. The company has continued with its principal activities in the period after 31 March 2011 and the directors have addressed the significant risks facing the business.

DIRECTORS

The following have served as directors throughout the year

S R Hitchins
J R Hitchins
J C Hitchins
A Underhill
P J Goodhall

None of the directors had any interest in the share capital of the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

THE ALMANZORA GROUP LIMITED
DIRECTORS' REPORT (Continued)
YEAR ENDED 31 MARCH 2012

AUDIT

In the case of each of the persons who are directors at the time this report is approved

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he 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

AUDITORS

The auditors, Crowe Clark Whitehill LLP, are deemed to be reappointed in accordance with section 485 of the Companies Act 2006 by virtue of an elective resolution passed by the members

By Order of the Board



J C HITCHINS
Director

COMPANY NUMBER 1800291

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ALMANZORA GROUP LIMITED

We have audited the financial statements of The Almanzora Group Limited for the year ended 31 March 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 12

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 auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications 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 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

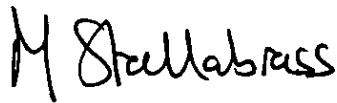
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE ALMANZORA GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
10 Salisbury Square, London

19 December 2012

THE ALMANZORA GROUP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

	Notes	2012 £	2011 £
TURNOVER	1(b)	73,838	107,079
Cost of Sales		<u>(145,214)</u>	<u>(169,235)</u>
GROSS LOSS		(71,376)	(62,156)
Administrative expenses		<u>(431,673)</u>	<u>(109,696)</u>
OPERATING LOSS		(503,049)	(171,852)
Interest receivable		314,743	282,065
Interest payable		<u>(238)</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	2	(188,544)	110,213
Tax on profit on ordinary activities	4	<u>(17,713)</u>	<u>(18,037)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAX		(206,257)	92,176
(DEFICIT) BROUGHT FORWARD		<u>(104,163)</u>	<u>(196,339)</u>
(DEFICIT) CARRIED FORWARD		<u>(310,420)</u>	<u>(104,163)</u>

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the profit for the financial year is the only movement on shareholders' funds during those years

The related notes 1 to 12 form
an integral part of these financial statements

THE ALMANZORA GROUP LIMITED
BALANCE SHEET
31 MARCH 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible fixed assets	5	1,319	925
Investment in group undertaking	6	<u>829,500</u>	<u>829,500</u>
		<u>830,819</u>	<u>830,425</u>
CURRENT ASSETS			
Debtors	7	7,473,922	7,248,142
Cash at bank and in hand		<u>919</u>	<u>1,089</u>
		<u>7,474,841</u>	<u>7,249,231</u>
CREDITORS amounts falling due within one year	8	<u>3,592,300</u>	<u>3,158,528</u>
NET CURRENT ASSETS		<u>3,882,541</u>	<u>4,090,703</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,713,360</u>	<u>4,921,128</u>
PROVISION FOR LIABILITIES AND CHARGES	9	<u>23,780</u>	<u>25,291</u>
NET ASSETS		<u>4,689,580</u>	<u>4,895,837</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	5,000,000	5,000,000
Profit and loss account		<u>(310,420)</u>	<u>(104,163)</u>
SHAREHOLDERS' FUNDS		<u>4,689,580</u>	<u>4,895,837</u>

Approved and authorised for issue by the Board on 13 December 2012
and signed on its behalf by



Director
J C Hitchins

The related notes 1 to 12 form
an integral part of these financial statements.

THE ALMANZORA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012

1 ACCOUNTING POLICIES

a) Basis of Accounting

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

In preparing these accounts the directors have considered the resources available to the company and its immediate parent and trading for the next twelve months. On the basis of this review the directors consider it appropriate to continue to adopt the going concern basis

b) Turnover

Turnover represents commission income earned during the year and sales of land, net of VAT

c) Tangible Fixed Assets

Tangible fixed assets are depreciated over their anticipated useful lives on a straight line basis at the following rates

Fixtures, fittings and office equipment	- 25% per annum
Motor vehicles	- 25% per annum

(d) Deferred Taxation

Full provision is made, at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantially enacted at the balance sheet date, in respect of timing differences which have arisen but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts. Deferred tax is measured on a non-discounted basis

(e) Pension Costs

Pension costs are charged to the profit and loss account to spread the costs over the average remaining service lives of employees. The pension scheme is a multi-employer defined benefit scheme and the company is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out as at 1 June 2006, and updated to 31 March 2011. FRS 17 disclosure for the Group Pension Scheme is provided in the accounts of the immediate parent undertaking and shows a deficit in the scheme as at 31 March 2012 of £483,000 (2011 deficit £178,000)

(f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. There are no monetary assets or liabilities denominated in foreign currencies at the balance sheet date

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2012	2011
	£	£
This is arrived at after charging:		
Auditor's remuneration	5,000	4,750
Directors' remuneration		
- Emoluments	15,593	17,115
- Pensions costs	1,766	1,095
Depreciation	601	1,245
and after crediting:		
Interest receivable from associated undertaking	<u>314,743</u>	<u>25,135</u>

THE ALMANZORA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
31 MARCH 2012

3 EMPLOYEE INFORMATION

a) Staff Costs and Numbers

The average number of persons (including directors) employed by the company during the year was 3 (2011 – 5), employed in sales, marketing and administration

	2012 £	2011 £
Gross salaries	22,469	20,917
Social security costs	2,808	2,493
Pension costs	1,121	1,725
	<u>26,398</u>	<u>25,135</u>

b) Directors

The number of directors accruing benefits under pension schemes are as follows

	No	No
Defined contribution pension schemes	<u>1</u>	<u>1</u>

c) Employees are members of The Robert Hitchins Group Pension Scheme, a multi-employer defined benefit scheme. Contributions to the scheme are determined by qualified actuaries on the basis of financial valuations. The last actuarial valuation was carried out at 1 June 2009. Further details of the scheme are set out in the financial statements of The Robert Hitchins Group Limited.

d) Some of the directors are members of The Robert Hitchins Group Executive Pension Scheme, a defined contribution scheme.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
Corporation tax at 26%	21,010	-
Compensation for losses surrendered to/(by) group companies	-	19,573
Prior year credit	(1,786)	-
Deferred taxation (note 9)	(1,511)	(1,536)
	<u>17,713</u>	<u>18,037</u>
Factors affecting the tax charge		
Profit/(loss) on ordinary activities before taxation	<u>188,544</u>	<u>110,213</u>
Profit on ordinary activities before taxation multiplied by the full rate of corporation tax of 26% (2011 – 28%)	(49,021)	30,860
Effects of		
Expenses not deductible for taxation purposes	83,353	-
Transfer pricing adjustment	(12,862)	(10,876)
Group relief surrendered	-	(19,573)
Capital allowances in excess of depreciation	(460)	(411)
Current tax charge	<u>21,010</u>	<u>-</u>

THE ALMANZORA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
31 MARCH 2012

5 TANGIBLE FIXED ASSETS		Fixtures, Fittings and Office Equipment	Motor Vehicles
	Total £	£	£
Cost			
At 1 April 2011	55,793	38,086	17,707
Additions	995	995	-
At 31 March 2012	56,788	39,081	17,707
Depreciation			
At 1 April 2011	54,868	37,163	17,705
Charge for the year	601	599	2
At 31 March 2012	55,469	37,763	17,707
Net Book values			
31 March 2012	1,319	1,319	-
<i>31 March 2011</i>	<i>925</i>	<i>923</i>	<i>2</i>

6. INVESTMENTS

The company owns 2.61% of the share capital of Bahia del Almanzora SL

7 DEBTORS	2012	2011
	£	£
Other debtors	3,164,954	2,847,772
Amounts owed by group undertakings	24,237	22,545
Amounts owed by related undertakings	4,284,731	4,377,825
	7,473,922	7,248,142

8. CREDITORS	2012	2011
amounts falling due within one year	£	£
Bank overdraft	2,633,319	2,296,556
Trade creditors	4,548	(50)
Amount owed to group undertakings	881,042	854,072
Corporation tax	21,010	(577)
Other creditors and accruals	43,272	-
Taxation and social security	8,749	8,527
	3,592,300	3,158,528

THE ALMANZORA GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
31 MARCH 2012

9	PROVISION FOR LIABILITIES AND CHARGES	2012
		£
	Deferred taxation	
	At 1 April 2011	25,291
	Credited to the profit and loss account (note 4)	<u>(1,511)</u>
	At 31 March 2012	<u>23,780</u>

Timing differences arise from

	2012	2011
	£	£
Accelerated capital allowances	(1,958)	(2,581)
Short term timing differences (loan)Interest	<u>25,738</u>	<u>27,872</u>
	<u>23,780</u>	<u>25,291</u>

10.	EQUITY SHARE CAPITAL	2012	2011
		£	£
	Authorised, allotted, called up and fully paid		
	5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>

11 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Bay Group Limited, a company incorporated in Bermuda

12 RELATED PARTY TRANSACTIONS

The company transacts business with its immediate parent company The Robert Hitchens Group Limited ("RHG") and its other subsidiary undertakings. These transactions are not disclosed as they are eliminated in the consolidated financial statements of (RHG), available from the Registrar of Companies, Cardiff

During the year the company earned commission of £34,883 (2011 £106,611) from Desert Springs SL and £38,954 from Playas del Almanzora SL (2011 £468) which are all related undertakings. Interest of £314,743 (2011 £282,065) was accrued on the amounts outstanding from these undertakings. The amount outstanding at 31 March 2012 amounted to £4,018,824 (2011 £3,875,082) and interest receivable was £3,155,965 (2011 £2,841,222)

The company's cash is subject to set off arrangements and cross guarantees with fellow group companies