

COMPANY REGISTRATION NUMBER 02486334

**GYG HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2013**

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GYG HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2013

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GYG HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R J Roberts
Mr M S Thomas
Mr D M Walters
Mr W Rees

Company secretary

Mr D M Walters

Registered office

2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

Accountants

Clay Shaw Thomas Ltd
Chartered Accountants
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

Bankers

Barclays Bank Plc
Corporate Banking Centre
3rd Floor
Windsor Court
Windsor Place
Cardiff
CF10 3ZL

Solicitors

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

GYG HOLDINGS LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2013

The directors present their report and the unaudited financial statements of the company for the year ended 30 June 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of a holding company

DIRECTORS

The directors who served the company during the year were as follows

Mr R J Roberts
Mr M S Thomas
Mr D M Walters
Mr W Rees

SMALL COMPANY PROVISIONS

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

Registered office
2 Oldfield Road
Bocam Park
Bridgend
CF35 5LJ

Signed on behalf of the directors



Mr D M Walters
Director

Approved by the directors on 27/3/2014.

GYG HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2013

	Note	2013 £	2012 £
TURNOVER		–	2,200,217
Cost of sales		–	1,928,924
GROSS PROFIT		–	271,293
Administrative expenses		(324,148)	2,406,967
Other operating income		–	(114,031)
OPERATING PROFIT/(LOSS)	2	324,148	(2,021,643)
Attributable to			
Operating profit/(loss) before exceptional items		49,295	(131,549)
Exceptional items	2	274,853	(1,890,094)
		324,148	(2,021,643)
Profit on disposal of fixed assets		–	7,334
Profit on disposal of discontinued operations		–	866,795
Income from shares in group undertakings		–	5,581
Interest payable and similar charges		(8,090)	386,263
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		332,238	(1,528,196)
Tax on profit/(loss) on ordinary activities		–	(270)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		332,238	(1,527,926)

The notes on pages 5 to 10 form part of these financial statements.

GYG HOLDINGS LIMITED**BALANCE SHEET****30 JUNE 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	3	142,527	142,712
Investments	4	2	36,752
		<u>142,529</u>	<u>179,464</u>
CURRENT ASSETS			
Stocks		1	1
Debtors	5	11,488	44,155
		<u>11,489</u>	<u>44,156</u>
CREDITORS: Amounts falling due within one year	7	<u>3,219,652</u>	<u>3,621,492</u>
NET CURRENT LIABILITIES		(3,208,163)	(3,577,336)
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,065,634)	(3,397,872)
CAPITAL AND RESERVES			
Called-up equity share capital	11	100	100
Other reserves		5	5
Profit and loss account	12	(3,065,739)	(3,397,977)
DEFICIT		(3,065,634)	(3,397,872)

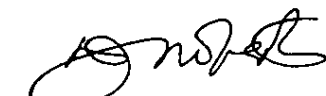
For the year ended 30 June 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These accounts were approved by the members and authorised for issue on 27/3/2014, and are signed on their behalf by



Mr R J Roberts
Director

Company Registration Number 02486334

The notes on pages 5 to 10 form part of these financial statements.

GYG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Investments

Investments are included at cost less amounts written off. For listed investments, market value is based on the closing middle market price.

Investments in associated undertakings are shown at the group's share of underlying net assets at cost. The group's share of the profit/(losses) of associated undertakings is included in the profit and loss account.

Investment income

Investment income comprises rental income and interest and is accounted for on a receivable basis.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	2013 £	2012 £
Directors' remuneration	—	—
Staff pension contributions	—	29,382
Depreciation of owned fixed assets	185	186
Exceptional items - 'Options over Futures'	—	534,854
Exceptional items - group company overdraft	(274,853)	1,355,240

During the previous year the directors made a provision for the expected PAYE, Class 1 National Insurance and interest costs, in relation to a tax scheme that was operated in 2005, which has subsequently been challenged by HMRC under tax avoidance legislation. This resulted in an exceptional debit to the profit and loss of £534,854.

GYG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

3. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST			
At 1 July 2012	141,846	24,179	166,025
Disposals	—	(13,926)	(13,926)
At 30 June 2013	141,846	10,253	152,099
DEPRECIATION			
At 1 July 2012	—	23,313	23,313
Charge for the year	—	185	185
On disposals	—	(13,926)	(13,926)
At 30 June 2013	—	9,572	9,572
NET BOOK VALUE			
At 30 June 2013	141,846	681	142,527
At 30 June 2012	141,846	866	142,712

4. INVESTMENTS

	Investments £
COST	
At 1 July 2012	36,752
Disposals	(36,750)
At 30 June 2013	2
NET BOOK VALUE	
At 30 June 2013	2
At 30 June 2012	36,752

The company holds 20% or more of the share capital of the following companies

Name of company	Class of shares held	Percentage held	Profit/loss for the year	Capital & reserves as at 30 June 2013
GYG Exchange Limited	Ordinary	100%	(£405,936)	(£1,394,861)

GYG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 2013****5. DEBTORS**

	2013	2012
	£	£
Amounts owed by group undertakings	11	-
Other debtors	4,000	36,678
Deferred taxation (note 6)	7,477	7,477
	<u>11,488</u>	<u>44,155</u>

6. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2013	2012
	£	£
Included in debtors (note 5)	<u>7,477</u>	<u>7,477</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2013		2012	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of depreciation over taxation allowances	7,477	-	7,477	-
Tax losses available	-	196,243	-	207,720
	<u>7,477</u>	<u>196,243</u>	<u>7,477</u>	<u>207,720</u>

7. CREDITORS: Amounts falling due within one year

	2013	2012
	£	£
Bank loans	156,786	209,926
Trade creditors	1,186	38,282
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,230,388	1,505,242
Taxation and social security	944,941	315,392
Other creditors	886,351	1,552,650
	<u>3,219,652</u>	<u>3,621,492</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2013	2012
	£	£
Bank loans	<u>156,786</u>	<u>209,926</u>

GYG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

8. CONTINGENCIES

As part of the consideration for the disposal of its principal trading subsidiaries, GYG Holdings Limited entered into overage agreements entitling the company to a share of any potential future profits generated, by two development sites held in its former subsidiaries

One of the developments is held by Bluefield Caernarfon Ltd, and is a parcel of development land situated in North Wales. During the previous period, the land was written down to its open market value of around £500,000, this resulted in a write-off of development costs amounting to c£3.4 million. The development has a number of significant barriers to overcome, before any potential profit is made, however management believe that if successful, the development could generate potential profit of up to £19.0 million. The timescale and the company's ability to complete the development remains unknown. GYG Holdings Ltd, has an interest in 10% of the future development profits generated by this site.

The other development is part of a joint venture between Macob Westgate Limited and Mewslade Holdings Limited. The development comprises 100 acres of land at J33, Cardiff. Since the initial planning application was unsuccessful, the company's management have since reconsidered their application and taken into consideration the draft Local Development Plan (LDP) preferred strategy announced by Cardiff Council in October 2012, for the development of new residential homes throughout Cardiff. The directors plan to resubmit the planning application in due course and are confident that the proposed project could generate potential future profits of £15.0 million, but are unable to predict when the project will proceed. GYG Holdings Ltd, has an interest in 10% of the future development profits generated by this site in excess of £1.2m.

9. TRANSACTIONS WITH THE DIRECTORS

Mr R J Roberts has provided personal guarantees to Barclays Bank plc in respect of the bank overdraft. Following the year end these guarantees were released.

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption stated in FRS8 which does not require the disclosure of transactions between group companies if at least 100% of the voting rights are controlled within the group.

During the previous year the directors made the decision to sell its principal trading and development companies to Macob Property Holdings Limited, at an independent market valuation of £925,000. This company is related due to common directors and ownership.

Movements on the directors' accounts during the year were as follows.

	2013
	£
Balance brought forward at 01 July 2012	917,101
Investments disposed of at cost	(36,750)
Balance carried forward at 30 June 2013	<u>880,351</u>

This loan is interest free and has no fixed terms of repayment.

GYG HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 2013**

11. SHARE CAPITAL**Allotted, called up and fully paid:**

	2013		2012	
	No	£	No	£
Ordinary shares of £0.01 each	<u>10,000</u>	<u>100</u>	<u>10,000</u>	<u>100</u>

12. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	(3,397,977)	(1,870,051)
Profit/(loss) for the financial year	<u>332,238</u>	<u>(1,527,926)</u>
Balance carried forward	<u>(3,065,739)</u>	<u>(3,397,977)</u>

13. GOING CONCERN

Following corporate restructuring advice in February 2012 the directors made the decision to sell the principal trading and development companies to a new holding company, Macob Property Holdings Limited, at an independent market valuation of £925,000. The reorganisation left GYG Holdings Limited with ownership of GYG Exchange Limited (formerly Macob Exchange Limited) together with several dormant and non-trading subsidiaries.

The Macob Property Holdings Group continues to cross guarantee the group overdraft facility made available to GYG Holdings Limited and its remaining subsidiaries via a master guarantee dated 6th February 2002, which is secured by a fixed and floating charge over its assets. The GYG Holdings Group has not secured any alternative sources of funding and is therefore reliant on this facility and intercompany loans with its former subsidiaries. However, as part of the restructure GYG Holdings entered into an overage agreement with its former subsidiaries Bluefield Caernarfon Limited and Macob Projects Limited, that should certain development projects prove to be profitable, it will be entitled to a percentage of future profits.

As at 30 June 2013 the Company's liabilities exceeded its total assets by £3,065,634. The Company is in arrears with its creditors and is unable to meet these liabilities through operating cash flow. Following the year end the directors of the Company sought approval of the Company's creditors to their proposal for a Company Voluntary Arrangement ("CVA"). The approval was received on the 13 February 2014.

The directors have concluded that the above circumstances represent a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern and that, therefore, it may be unable to discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have concluded that the CVA arrangement as approved provides agreement with Company creditors to delay proceedings whilst the overage arrangements should provide future funding in order to settle the Company's liabilities in the longer term, in accordance with the CVA. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

14. ULTIMATE PARENT UNDERTAKING

The ultimate controlling party is Mr R J Roberts who has a beneficial interest in 84% of the issued share capital of GYG Holdings Limited.

GYG HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2013

15. BANK SECURITY

Bank loans and overdrafts are secured by an unlimited cross guarantee with Macob Property Holdings Group in favour of Barclays Bank Plc

GYG HOLDINGS LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 30 JUNE 2013

The following pages do not form part of the statutory financial statements