

# **REGISTRAR OF COMPANIES**

**WEST & WALES PROPERTY  
MANAGEMENT LIMITED**

**Report and Financial Statements**

**31 December 2006**

MONDAY



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06/08/2007  
COMPANIES HOUSE

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COMPANIES  
REGISTERED

# **WEST & WALES PROPERTY MANAGEMENT LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2006**

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# **WEST & WALES PROPERTY MANAGEMENT LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTOR**

A M Darlow

### **SECRETARY**

Mrs E A Mansfield

### **REGISTERED OFFICE**

First Floor Office  
The Firs  
8 High Street  
Caerleon  
Newport  
NP18 1AG

### **BANKERS**

HSBC Bank Plc

### **ACCOUNTANTS**

Deloitte & Touche LLP  
Cardiff

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## DIRECTOR'S REPORT

The director presents his annual report and the unaudited financial statements for the year ended 31 December 2006

This director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

## ACTIVITIES

The principal activity of the company is property investment and the provision of property management services

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The performance of the company during the financial year is in line with the director's expectations and future prospects are considered to be satisfactory

On 14 March 2007, the company sold the property at 155-156 Commercial Street, Newport, for £1,000,000

## DIVIDENDS

The director does not recommend the payment of a dividend (2005 - £nil)

## DIRECTOR

The director of the company, who served throughout the financial year, is as shown on page 1

Approved by the Director  
and signed on behalf of the Director



E A Mansfield  
Secretary

Date 31.07.07

**INDEPENDENT ACCOUNTANTS' REPORT ON THE  
UNAUDITED ACCOUNTS TO THE DIRECTOR OF  
WEST & WALES PROPERTY MANAGEMENT LIMITED**

In accordance with the engagement letter dated 1 February 2007, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17, from the accounting records and information and explanations you have given to us

This report is made to the company's director in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's director that we have done so, and state those matters that we have agreed to state to him in this 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 director for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given us and we do not, therefore, express any opinion on the financial statements.

*Deloitte Touche W*

**Deloitte & Touche LLP**  
Chartered Accountants  
Cardiff, United Kingdom

Date *1 August 2007*

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 2006

	Note	2006 £	2005 £
<b>TURNOVER</b>	2	670,771	1,403,910
Cost of sales		(659,056)	(1,377,657)
Gross profit		11,715	26,253
Administrative expenses		(28,723)	(16,499)
Other operating income	4	5,200	1,200
<b>OPERATING (LOSS)/PROFIT</b>	5	(11,808)	10,954
Interest payable and similar charges	6	(63,019)	(60,058)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(74,827)	(49,104)
Tax on loss on ordinary activities	7	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	14	(74,827)	(49,104)

All activities derive from continuing operations

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2006

	2006 £	2005 £
Loss for the financial year	(74,827)	(49,104)
Surplus arising on revaluation of fixed assets	265,000	155,000
Total recognised gains since last report	190,173	105,896

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>1,705,868</u>	<u>1,428,697</u>
<b>CURRENT ASSETS</b>			
Debtors	9	116,676	211,586
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(315,164)</u>	<u>(323,076)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(198,488)</u>	<u>(111,490)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,507,380	1,317,207
<b>CREDITORS: amounts falling due after more than one year</b>	11	<u>(869,208)</u>	<u>(869,208)</u>
<b>NET ASSETS</b>		<u><u>638,172</u></u>	<u><u>447,999</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	396,202	396,202
Revaluation reserve	14	609,748	344,748
Profit and loss account	14	<u>(367,778)</u>	<u>(292,951)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	14	<u><u>638,172</u></u>	<u><u>447,999</u></u>

These annual accounts have not been audited because the company is entitled to the exemption provided by s249A(1) Companies Act 1985 and its members have not required the company to obtain an audit of these accounts in accordance with s249B(2)

The director acknowledges his responsibilities for ensuring that the company keeps accounting records that comply with s221 Companies Act 1985. The director also acknowledges his responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with s226 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

These financial statements were approved and signed by the Director on 31.07.07

A M Darlow  
Director





## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

### 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 freehold properties.

#### 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:

Fixtures and fittings	-	15% per annum
Equipment	-	25% per annum

#### Fixed asset investment properties

Freehold investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.

No depreciation is provided in respect of investment properties, this constitutes a departure from the statutory rules requiring fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. 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.

#### 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.

### 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom, is attributable to the company's principal activity.

### 3. INFORMATION REGARDING DIRECTOR AND EMPLOYEE

The director and the company secretary were the only employees of the company during the current and the prior financial year.

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 4. OTHER OPERATING INCOME

	2006 £	2005 £
Hire of hospitality suite	3,200	1,200
Management fees receivable	2,000	-
	<u>5,200</u>	<u>1,200</u>

### 5 OPERATING (LOSS)/ PROFIT

	2006 £	2005 £
Operating (loss)/profit is stated after charging		
Depreciation		
Owned assets	<u>2,908</u>	<u>2,908</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Bank interest payable	10,234	7,160
Loan interest payable	<u>52,785</u>	<u>52,898</u>
	<u>63,019</u>	<u>60,058</u>

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2006 £	2005 £
<b>Current taxation</b>		
United Kingdom corporation tax		
Current tax on income for the year at 19% (2005 – 19%)	-	-
<b>Deferred taxation</b>		
Adjustments to the estimated recoverable amounts of deferred tax assets arising in prior years	(9)	(2,755)
Adjustment in respect of prior years	9	2,755
	-	-
	-	-
	-	-
The difference between the current taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows		
	£	£
Loss on ordinary activities before tax	(74,827)	(49,104)
Tax on loss on ordinary activities before tax at 19% (2005 – 19%)	14,217	9,330
<b>Factors affecting charge for the year</b>		
Expenses not deductible for tax purposes	(1,128)	(2,176)
Capital allowances in excess of depreciation	1,086	689
Tax losses	(14,176)	(7,843)
Other deferred tax movements	50,350	29,450
Deferred tax not provided on non-qualifying assets	(50,350)	(29,450)
Other	1	-
<b>Current tax charge for the year</b>	-	-

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2006	1,415,000	19,389	-	1,434,389
Additions	-	-	15,079	15,079
Surplus on revaluation	265,000	-	-	265,000
At 31 December 2006	<u>1,680,000</u>	<u>19,389</u>	<u>15,079</u>	<u>1,714,468</u>
<b>Accumulated depreciation</b>				
At 1 January 2006	-	5,692	-	5,692
Charge for the year	-	2,908	-	2,908
At 31 December 2006	<u>-</u>	<u>8,600</u>	<u>-</u>	<u>8,600</u>
<b>Net book value</b>				
At 31 December 2006	<u>1,680,000</u>	<u>10,789</u>	<u>15,079</u>	<u>1,705,868</u>
At 31 December 2005	<u>1,415,000</u>	<u>13,697</u>	<u>-</u>	<u>1,428,697</u>

Freehold investment properties are stated at the estimated open market valuation at 31 December 2006 by Mr A M Darlow, FRICS, the director of the company

The freehold investment properties were acquired at an historical cost of £1,070,252 and the surplus has been taken to the revaluation reserve

### 9. DEBTORS

	2006 £	2005 £
Trade debtors	14,984	695
Other debtors	86,692	196,724
Amounts owed by related companies	10,000	10,000
Prepayments and accrued income	5,000	4,167
	<u>116,676</u>	<u>211,586</u>

All debtors are due within one year. Other debtors includes the director's loan of £69,801 (2005 - £147,925) which is interest-free and was partly repaid in the sum of £50,000 on 12 February 2007, the balance of £19,801 being repaid on 15 March 2007. The maximum balance outstanding during the year was £69,801 (2005 - £147,925)

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank overdraft	186,785	224,239
Trade creditors	28,713	44,882
Other creditors	26,258	26,258
Amounts owed to related companies	62,897	17,742
Accruals and deferred income	10,511	9,955
	<u>315,164</u>	<u>323,076</u>

The bank overdraft is unsecured and repayable on demand

### 11. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Bank loan	225,161	225,161
Other loans	644,047	644,047
	<u>869,208</u>	<u>869,208</u>

### 12. BORROWINGS

	2006 £	2005 £
Bank loan and overdraft	411,946	449,400
Other loans	644,047	644,047
	<u>1,055,993</u>	<u>1,093,447</u>

The maturity of the above amounts is as follows

	£	£
Between one and two years	186,785	224,239
After five years	869,208	869,208
	<u>1,055,993</u>	<u>1,093,447</u>

#### Bank loans

A loan with the West Bromwich Building Society, of £225,161 (2005 - £225,161), is secured on the freehold investment property to which it relates. It is repayable within ten years and interest is charged at 1.25% above base rate, but the director has confirmed it is not repayable within five years of the balance sheet date.

Other loans include various mortgages secured on the freehold investment properties to which the mortgages relate.

These properties are held in trust for the company by either A M Darlow or his wife.

# WEST & WALES PROPERTY MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

### 13. CALLED UP SHARE CAPITAL

	2006 £	2005 £
<b>Authorised</b>		
500,000 ordinary shares of £1 each	500,000	500,000
	£	£
<b>Called up, allotted and fully paid</b>		
396,202 ordinary shares of £1 each	396,202	396,202

At 31 December 2006, two allotted ordinary shares of £1 each remained unpaid

### 14. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 January	396,202	344,748	(292,951)	447,999
Loss for the financial year	-	-	(74,827)	(74,827)
Surplus on revaluation of fixed assets	-	265,000	-	265,000
Balance at 31 December	396,202	609,748	(367,778)	638,172

### 15. RELATED PARTY TRANSACTIONS

During the year, the company continued the restoration of a Grade II listed building, a property owned by A M Darlow, the director of the company

The company incurred property development costs of £629,186 (2005 - £1,355,952) which were re-charged to A M Darlow

There was a balance owed to Llanhennock Investments Limited (a company of which A M Darlow is a director) at the balance sheet date of £62,897 (2005 - £53,552)

During the year, the company made payments of £39,294 (2005 - £39,220) to various third parties in respect of interest charges on loans to the director relating to properties under the beneficial ownership of the company

### 16. POST BALANCE SHEET EVENT

On 14 March 2007, the company sold the property at 155-156 Commercial Street, Newport, for £1,000,000

### 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mrs T A Darlow