

Reports and Financial Statements

31 October 2013

Company Number: 03724227

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To the Company's Ordinary Shareholders**Elective Regime**

The Company has passed elective resolutions in accordance with Section 312 of the Companies Act 2006 as amended ("the Act") to dispense with the formalities of:

- the laying of accounts before the Company in general meeting (Section 437 of the Act);
- the holding of annual general meetings (Section 336 (1) of the Act);
- the obligation to appoint auditors annually (Section 485 of the Act).

Section 437 gives members the right to require the laying of accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with Section 423 of the Act.

Registered Office:
Armoury House
City Road
London EC1Y 2BQ

OFFICERS AND AUDITORS

DIRECTORS

PDC Vyvyan-Robinson TD
HJP Wilkinson
RST Murphy

SECRETARY

AST Elliott-Frey, ACA

AUDITORS

Kingston Smith LLP
Chartered Accountants & Registered Auditors
Devonshire House
60 Goswell Road,
London EC1M 7AD

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 October 2013.

ACTIVITIES

The principal activity of the Company is to own land in Wales, known as the Welsh Pencelli Estate, on behalf of the ultimate holding company.

RESULTS AND DIVIDENDS

The Company did not trade during the year. The Directors do not recommend payment of a dividend (2012:£nil).

FUTURE PROSPECTS

No change in the Company's activities is envisaged in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The Directors have no interest in the shares of the Company nor any disclosable interests in any contracts or arrangements with the Company subsisting at the end of the financial year.

Small company rules

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

AUDITORS

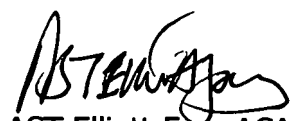
Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

AUDIT INFORMATION

So far as each of the directors is aware at the time the Directors' Report is approved:

- a) there is no relevant information of which the auditors are unaware; and
- b) they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board of Directors and authorised for issue on 20 January 2014
and Signed by Order of the Board


AST Elliott-Frey ACA
Secretary

Armoury House
City Road
London EC1Y 2BQ

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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;
- 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 Shareholders of Pencelli Limited

We have audited the financial statements of Pencelli Limited for the year ended 31 October 2013 set out on pages 8 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 set out on page 5, 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.

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 October 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

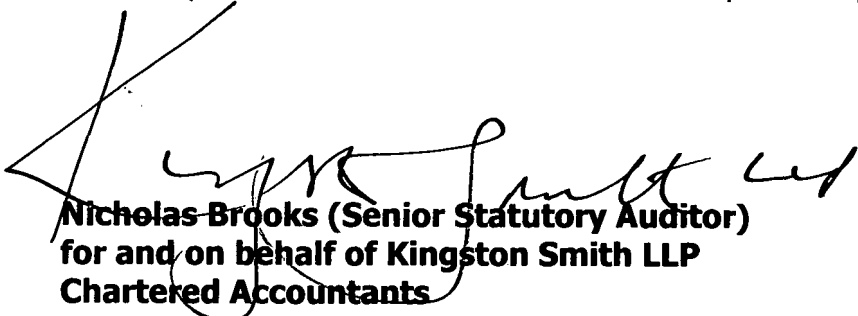
Opinion on other matter prescribed by the Companies Act 2006

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 prepare the financial statements and the directors' report in accordance with the small companies regime.



Nicholas Brooks (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date:

11/2/14

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2013**

During the year the Company did not trade and received no income and incurred no expenditure. Consequently, during this year the Company made neither a profit nor a loss.

**BALANCE SHEET
AS AT 31 OCTOBER 2013**

	Note	2013 £	2012 £
FIXED ASSETS			
The Welsh Pencelli Estate	4	328,773	328,773
CURRENT LIABILITIES			
Amounts owed to group undertakings	5	(28,773)	(28,773)
NET ASSETS		300,000	300,000
CAPITAL AND RESERVES			
Called up share capital	6	300,000	300,000
EQUITY SHAREHOLDERS' FUNDS		300,000	300,000

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors and authorised for issue on 20 January 2014.

Signed on Behalf of the Board of Directors



Director
Company No: 03724227

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis.

2. ULTIMATE PARENT COMPANY

The Company's holding company and ultimate parent company is the Honourable Artillery Company registered in England and Wales. A copy of the Honourable Artillery Company's published consolidated financial statements can be obtained from The Secretary, Armoury House, City Road, London EC1Y 2BQ.

3. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

The Company had no employees during the year. The Directors did not receive any emoluments from the Company. The audit fee was borne by the parent entity.

4. FIXED ASSETS

The Welsh Pencelli Estate at cost £328,773
(At 1 November 2012 and 31 October 2013)

The Welsh Pencelli Estate consists of 14,000 acres of Land in the Brecon Beacons. Because of its nature the directors do not believe that it is necessary to make any provision for depreciation.

5. AMOUNTS OWED TO GROUP UNDERTAKINGS

	2013	2012
	£	£
Amount owed to the ultimate parent undertaking	<u>28,773</u>	<u>28,773</u>

NOTES TO THE ACCOUNTS (continued)

6. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised		
Ordinary Shares of £1 each	1,000,000	1,000,000
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Allotted and fully paid		
Ordinary Shares of £1 each	300,000	300,000
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7. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company.

8. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the Honourable Artillery Company group, or investees of the group qualifying as related parties, as all of the Company's voting rights are controlled within that group. There are no material transactions with any other related parties.