

**SULLY DEVELOPMENT COMPANY
LIMITED**

Annual Report and Financial Statements

For the year ended 31 March 2015

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SULLY DEVELOPMENT COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

SULLY DEVELOPMENT COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R A E Herbert, CBE
B C Herbert

COMPANY SECRETARY

C M A Lane

REGISTERED OFFICE

23a Gold Tops
Newport
South Wales
NP20 4UL

BANKERS

National Westminster Bank Plc

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff
United Kingdom

SULLY DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

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

PRINCIPAL ACTIVITY

The company's principal activity is property development.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operating existence for the foreseeable future. On this basis they continue to adopt the going concern basis in preparing the financial statements. Further information in relation to going concern is provided in note 1 to the financial statements.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the company for the financial year are set out in the profit and loss account on page 5 and its position at the year-end is shown in the balance sheet on page 6.

The directors are satisfied with the results for the financial year and are optimistic regarding the future prospects of the company.

DIVIDENDS

The directors cannot recommend the payment of a dividend for the year (2014 - £ nil).

DIRECTORS

The directors of the company, who served throughout the financial year and subsequently, are as shown on page 1.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



C M A Lane
Company Secretary

Date.....5 August 2015

SULLY DEVELOPMENT COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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; and
- 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 AUDITOR'S REPORT TO THE MEMBERS OF SULLY DEVELOPMENT COMPANY LIMITED

We have audited the financial statements of Sully Development Company Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its 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 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 take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



David Hedditch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom.

Date...19 August 2015...

SULLY DEVELOPMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 March 2015

	Note	2015 £	2014 £
Administrative expenses		(8,544)	(12,599)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(8,544)	(12,599)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR	7	<u>(8,544)</u>	<u>(12,599)</u>

All activities derive from continuing operations.

There have been no recognised gains and losses for the current or the prior financial year other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

SULLY DEVELOPMENT COMPANY LIMITED

BALANCE SHEET As at 31 March 2015

	Note	2015 £	2014 £
CURRENT ASSETS			
Stocks	5	631,175	628,674
Debtors and prepayments		1,791	908
Cash at bank and in hand		12,508	26,729
		<u>645,474</u>	<u>656,311</u>
CREDITORS: amounts falling due within one year			
Trade creditors		-	(600)
Director's loan account		(261,950)	(261,950)
Amounts owed to related parties		(514,070)	(515,763)
Accruals		(3,250)	(3,250)
		<u>(779,270)</u>	<u>(781,563)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET LIABILITIES		<u>(133,796)</u>	<u>(125,252)</u>
SHARE CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account	7	(133,896)	(125,352)
SHAREHOLDERS' DEFICIT	7	<u>(133,796)</u>	<u>(125,252)</u>

The financial statements of Sully Development Company Limited, registered number 04643148, were approved by the Board of Directors and authorised for issue on **5 August 2015**

Signed on behalf of the Board of Directors



R A E Herbert, CBE
Director



B C Herbert
Director

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015

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.

Going concern

In preparing the financial statements the directors have considered the current financial position of the company and the likely future cash flows. At the date of issuing the financial statements, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In forming this conclusion, the directors have considered that, whilst the company has recorded a loss in the current financial year and has net liabilities, it has the formal support of its related party, Trustees of Llanarth Estate. The directors have assessed the ability of the related party to provide that support and concluded that it is appropriate to rely on this support in assessing the appropriateness of adopting the going concern basis.

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.

Stocks

Stocks are stated at the lower of cost and net realisable value and consist of land and property held for resale and development.

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. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors were the only employees of the company during the current and the prior financial year. They received no remuneration from the company during either year.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £	2014 £
Loss on ordinary activities before taxation is after charging		
Auditor's remuneration – audit services	1,850	2,000

SULLY DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2015 (continued)

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2015 £	2014 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 20% (2014 – 23%)	-	-
	<u>-</u>	<u>-</u>
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	(8,544)	(12,599)
	<u>(8,544)</u>	<u>(12,599)</u>
Tax on loss on ordinary activities before tax at 20% (2014 - 23%)	(1,709)	(2,898)
	<u>(1,709)</u>	<u>(2,898)</u>
Factors affecting charge for the year		
Increase in tax losses	1,709	2,898
	<u>1,709</u>	<u>2,898</u>
Current tax charge for the year	-	-
	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses carried forward, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £26,779 (2014 - £25,070). The asset would be recovered if the company were to make trading profits from the same trade in future periods.

The forthcoming reduction in the corporation tax rate to 20% will not materially affect the future tax charge.

5. STOCKS

Stocks consist of land and property.

6. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

SULLY DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2015 (continued)

7. COMBINED STATEMENT OF MOVEMENTS ON RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	Share capital £	Profit and loss account £	Total 2015 £	Total 2014 £
At 1 April	100	(125,352)	(125,252)	(112,653)
Loss for the financial year	-	(8,544)	(8,544)	(12,599)
At 31 March	100	(133,896)	(133,796)	(125,252)

8. RELATED PARTY TRANSACTIONS

Name of related party	Director with a significant interest
Llanover Properties Limited	R A E Herbert, CBE
Trustees of Llanarth Estate	R A E Herbert, CBE, and B C Herbert
Trustees of Llanover Estate	B C Herbert

Included within creditors is £125,000 (2014 - £125,000) owed to Llanover Properties Limited.

During the year, loans were made by Trustees of Llanarth Estate to the company of £nil (2014 - £30,000). At the year-end, there was £386,950 owed to Trustees of Llanarth Estate (2014 - £386,950). During the year, Sully Development Company Limited made purchases from the Trustees of Llanover Estate of £2,120 (2014 - £3,813). At the year-end, there was £2,120 (2014 - £3,813) owed to the Trustees of Llanover Estate in respect of this.

During the year, a director's loan was made by R A E Herbert to the company of £nil (2014 - £30,000). At the year-end, there was £261,950 owed to R A E Herbert (2014 - £261,950). This balance is interest-free, unsecured and there are no fixed repayment terms.

9. ULTIMATE CONTROLLING PARTIES

The ultimate controlling parties are R A E Herbert and the trustees of Llanarth Estate.