

Registration number: 05713226

Scarford (Hirwaun) Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2015

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Scarford (Hirwaun) Limited
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Scarford (Hirwaun) Limited

Company Information

Directors	D M David S C McCabe
Company secretary	Esplanade Secretarial Services Limited
Registered office	Europa House 20 Esplanade Scarborough YO11 2AQ
Auditors	Mazars LLP Mazars House Gelderd Road Gildersome Leeds LS27 7JN

Scarford (Hirwaun) Limited
Directors' Report for the Year Ended 28 February 2015

The directors present their report and the financial statements for the year ended 28 February 2015.

Directors' responsibilities

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 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.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Directors

The directors who held office during the year were as follows:

D M David

S C McCabe

M Jackson (Resigned 22 September 2014)

Scarford (Hirwaun) Limited
Directors' Report for the Year Ended 28 February 2015


..... continued

Auditors

Mazars LLP continue in office in accordance with section 487(2) Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board on 10 July 2015 and signed on its behalf by:


.....
J J Tutton

for and on behalf of Esplanade Secretarial Services Limited
Company secretary

Independent Auditor's Report to the Members of Scarford (Hirwaun) Limited

We have audited the financial statements of Scarford (Hirwaun) Limited for the year ended 28 February 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement set out on page 2, 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 (APB's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 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.

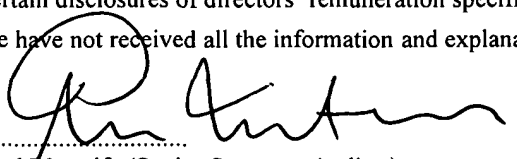
**Independent Auditor's Report to the Members of
Scarford (Hirwaun) Limited**

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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.


.....
Richard Metcalfe (Senior Statutory Auditor)

for and on behalf of Mazars LLP, Chartered Accountants (Statutory Auditor)

Mazars House
Gelder Road
Gildersome
Leeds
LS27 7JN

10 July 2015

Scarford (Hirwaun) Limited
Profit and Loss Account for the Year Ended 28 February 2015

	Note	2015 £	2014 £
Turnover	2	5,381	5,381
Cost of sales	3	<u>(1,370)</u>	<u>-</u>
Gross profit		4,011	5,381
Administrative expenses	4	<u>(10,425)</u>	<u>387</u>
Operating (loss)/profit	5	(6,414)	5,768
Interest payable and similar charges	8	<u>(43,868)</u>	<u>(39,430)</u>
Loss on ordinary activities before taxation		(50,282)	(33,662)
Tax on loss on ordinary activities	9	<u>-</u>	<u>-</u>
Loss for the financial year	15	<u><u>(50,282)</u></u>	<u><u>(33,662)</u></u>

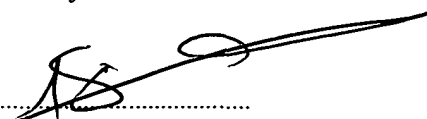
Turnover and operating profit/(loss) derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Scarford (Hirwaun) Limited
(Registration number: 05713226)
Balance Sheet at 28 February 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	10	<u>2</u>	<u>2</u>
Current assets			
Stock	11	1,439,006	1,380,898
Debtors	12	<u>3,880</u>	<u>2,544</u>
		1,442,886	1,383,442
Creditors: Amounts falling due within one year	13	<u>(1,861,723)</u>	<u>(1,751,997)</u>
Net current liabilities		<u>(418,837)</u>	<u>(368,555)</u>
Net liabilities		<u>(418,835)</u>	<u>(368,553)</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	<u>(418,837)</u>	<u>(368,555)</u>
	16	<u>(418,835)</u>	<u>(368,553)</u>

The financial statements were approved and authorised for issue by the Board on 10 July 2015 and signed on its behalf by:


 S C McCabe
 Director

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and the accounting policies set out below, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

These financial statements have been prepared on a going concern basis as the joint venture partners have confirmed that they will not seek repayment of their loans within 12 months of signing the financial statements unless the company is able to do so.

Group accounts

The company has taken advantage of the exemption within Chapter 4 of Part 15 of the Companies Act 2006 not to prepare group accounts. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

Cash flow statement

In accordance with Financial Reporting Standard No.1 (revised) the company is exempt from the requirement to produce a cash flow statement on the basis that a consolidated cash flow statement is prepared by Scarborough Group International Limited, the parent undertaking of the smallest group for which group accounts are drawn up and of which the company is a member.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of rental income from let properties, management fees and proceeds from sale of properties.

Revenue recognition

Proceeds received on the sale of properties are recognised on unconditional exchange of contract. Rental income accrues on a daily basis.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is based on the cost of the land and the cost incurred to date including any demolition costs and interest paid in respect of borrowings to finance the relevant development. Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on disposal.

Deferred tax

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet 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 or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

..... *continued*

2 Turnover

An analysis of turnover by segment is given below:

	2015 £	2014 £
Rental income	5,381	5,381
	<u>5,381</u>	<u>5,381</u>

3 Cost of sales

	2015 £	2014 £
Cost of sales excluding exceptional items	<u>1,370</u>	<u>-</u>

4 Administrative expenses

	2015 £	2014 £
Administrative expenses excluding exceptional items	<u>10,425</u>	<u>(387)</u>

5 Operating profit/(loss)

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

	2015 £	2014 £
Auditors' remuneration - audit services	2,500	500
Auditors' remuneration - non audit services	<u>1,750</u>	<u>1,250</u>

6 Particulars of employees

The average number of employees (excluding directors) during the year was nil (2014: nil).

7 Directors' remuneration

No emoluments were paid to the directors during the year (2014: £nil).

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

..... *continued*

8 Interest payable and similar charges

	2015	2014
	£	£
Interest payable to group undertakings	2,578	-
Interest payable to participating interests	41,290	39,430
	<u>43,868</u>	<u>39,430</u>

9 Taxation

Tax on loss on ordinary activities

	2015	2014
	£	£
Total tax on loss on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

The tax charge/(credit) for the year is different from the standard rate of corporation tax in the UK of 21.17% (2014: 23.085%). The difference is explained below:

	2015	2014
	£	£
Loss on ordinary activities before taxation	<u>(50,282)</u>	<u>(33,662)</u>
Corporation tax at standard rate	(10,645)	(7,771)
Net losses carried forward	<u>10,645</u>	<u>7,771</u>
Total current tax	<u>-</u>	<u>-</u>

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

..... *continued*

10 Investments held as fixed assets

	2015 £	2014 £
Shares in group undertakings and participating interests	<u>2</u>	<u>2</u>
Shares in group undertakings and participating interests		
	Subsidiary undertakings £	Total £
Cost		
At 1 March 2014	<u>2</u>	<u>2</u>
At 28 February 2015	<u>2</u>	<u>2</u>
Net book value		
At 28 February 2015	<u>2</u>	<u>2</u>
At 28 February 2014	<u>2</u>	<u>2</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Scarford Hirwaun No.1 Limited	Ordinary	100%	Dormant

11 Stock

	2015 £	2014 £
Property held for resale	<u>1,439,006</u>	<u>1,380,898</u>

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

..... *continued*

12 Debtors

	2015 £	2014 £
Other debtors	1,287	2,544
Prepayments and accrued income	2,593	-
	<u>3,880</u>	<u>2,544</u>

13 Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	11,551	10,865
Amounts owed to group undertakings	-	71,796
Amounts owed to undertakings in which the company has a participating interest	1,845,919	1,664,045
Other creditors	2	2
Accruals and deferred income	4,251	5,289
	<u>1,861,723</u>	<u>1,751,997</u>

14 Share capital

Allotted, called up and fully paid shares

	2015	2014
	No. £	No. £
Ordinary shares of £1 each	<u>2</u> <u>2</u>	<u>2</u> <u>2</u>

15 Reserves

	Profit and loss account £	Total £
At 1 March 2014	(368,555)	(368,555)
Loss for the year	<u>(50,282)</u>	<u>(50,282)</u>
At 28 February 2015	<u>(418,837)</u>	<u>(418,837)</u>

Scarford (Hirwaun) Limited

Notes to the Financial Statements for the Year Ended 28 February 2015

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16 Reconciliation of movement in shareholders' funds/(deficit)

	2015 £	2014 £
Loss attributable to the members of the company	(50,282)	(33,662)
Net reduction to shareholders' funds/(deficit)	(50,282)	(33,662)
Shareholders' deficit at 1 March	(368,553)	(334,891)
Shareholders' deficit at 28 February	(418,835)	(368,553)

17 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Longford Property (Hirwaun) Limited (Joint venture partner)

Interest was charged on the loan at 1.5% above Bank of England base rate. Interest payable during the year amounted to £3,889 (2013: £3,813). At the balance sheet date the amount due to Longford Property (Hirwaun) Limited was £198,353 (2014: £194,464).

Scarborough Holding Company Limited (Joint venture partner)

Interest was charged on the loan at 1.5% above Bank of England base rate. Interest payable during the year amounted to £37,401 (2014: £31,650). At the balance sheet date the amount due to Scarborough Holding Company Limited was £1,647,566 (2014: £1,469,581).

The company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

18 Controlling entity

The company is controlled by the immediate parent companies, Scarborough Holding Company Limited and Longford Property (Hirwaun) Limited equally.

In the opinion of the directors, there is no ultimate controlling party.