

REGISTERED NUMBER 1226708 (England and Wales)

Abbreviated Accounts for the Year Ended 31 March 2007

for

Rhondda Development Company Limited



Rhondda Development Company Limited

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for the Year Ended 31 March 2007

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Rhondda Development Company Limited

Company Information
for the Year Ended 31 March 2007

DIRECTORS

R A Hulland
N V Hulland
C S Aubrey
G Smith

SECRETARY

N V Hulland

REGISTERED OFFICE:

233-239 High Street
Cymmer
Porth
Rhondda Cynon Taff
CG39 9AD

REGISTERED NUMBER

1226708 (England and Wales)

AUDITORS

Curtis, Bowden & Thomas Limited
Chartered Certified Accountants &
Registered Auditors
Pentre
Rhondda Cynon Taff
CF41 7DJ

Report of the Independent Auditors to
Rhondda Development Company Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages four to seven, together with the financial statements of Rhondda Development Company Limited for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Other information

On 28 September 2007 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of Rhondda Development Company Limited for the year ended 31 March 2007 on pages one to twelve. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page one.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Report of the Independent Auditors to
Rhondda Development Company Limited
Under Section 247B of the Companies Act 1985

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment

As explained in note 1, investment properties have been shown at their historical cost and not at their open market value as required by Statement of Standard Accounting Practice No 19 and it is impractical to evaluate the difference between the stated cost and its open market value. In our opinion the subject matter of the foregoing qualification is not material for determining whether the distribution of £2,250 proposed by the company is permitted under section 263 of the Act. Whilst the qualification cannot be quantified, the effect of the qualification on the distributable profits can only be favourable."



Curtis, Bowden & Thomas Limited
Chartered Certified Accountants &
Registered Auditors
Pentre
Rhondda Cynon Taff
CF41 7DJ

28 September 2007

Rhondda Development Company Limited**Abbreviated Balance Sheet****31 March 2007**

	Notes	31 3 07 £	£	31 3 06 £	£
FIXED ASSETS					
Tangible assets	2		3,653,801		3,721,960
Investments	3		640,000		118,000
			<u>4,293,801</u>		<u>3,839,960</u>
CURRENT ASSETS					
Stocks		10,000		10,000	
Debtors		368,493		98,786	
Cash at bank		894,116		1,287,127	
		<u>1,272,609</u>		<u>1,395,913</u>	
CREDITORS					
Amounts falling due within one year		759,984		766,943	
		<u></u>		<u></u>	
NET CURRENT ASSETS			512,625		628,970
TOTAL ASSETS LESS CURRENT LIABILITIES			4,806,426		4,468,930
PROVISIONS FOR LIABILITIES			(2,001)		(1,527)
ACCRUALS AND DEFERRED INCOME			(99,151)		(105,876)
NET ASSETS			<u>4,705,274</u>		<u>4,361,527</u>
CAPITAL AND RESERVES					
Called up share capital	4		110,350		110,100
Capital redemption reserve			2,900		2,900
Profit and loss account			4,592,024		4,248,527
SHAREHOLDERS' FUNDS			<u>4,705,274</u>		<u>4,361,527</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on 28 September 2007 and were signed on its behalf by


R A Hulland - Director

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 March 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover comprises the total rents receivable by the company net of Value Added Tax

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- not provided
Short leasehold	- not provided
Long leasehold	- not provided
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 20% on cost

The freehold properties and improvements thereto are held by the company as investment properties and are shown at their historical cost It is not the policy of the company to revalue investment properties at current market value as required by Statement of Standard Accounting Practice No 19

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Local authority grant received

Local authority grants received prior to 1st April 1997 have been written off on a straight line basis over five years However, local authority grants received after 1st April 1997 remain payable for a full period of five years after which the grant is written off in full

The company has decided not to adopt Statement of Standard Accounting Practice No 4 in respect of the accounting treatment for local authority grants received It has been decided, in order to show a true and fair view of the state of the company's affairs as at the balance sheet date and of the profit for the year under review, to write the grants off over their repayable lives

The accounting policy as adopted by the company shows no other income (2006 £nil) in the profit and loss account and balance sheet deferred income of £99,151 (2006 £105,876)

Had Statement of Standard Accounting Practice No 4 been adopted the profit and loss account would show no other income in 2006 or 2005 and balance sheet deferred income of £1,343,810 (2006 £1,452,648) This being the total amount of grants received on properties still owned by the company

Rhondda Development Company Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2007

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2006	3,915,297
Additions	319,440
Disposals	(382,215)
At 31 March 2007	3,852,522
DEPRECIATION	
At 1 April 2006	193,337
Charge for year	5,384
At 31 March 2007	198,721
NET BOOK VALUE	
At 31 March 2007	3,653,801
At 31 March 2006	3,721,960

3 FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows

	31 3 07 £	31 3 06 £
Debentures	9,500	9,500
Shares in group undertakings	10,000	10 000
Investment in Challenger Syndicateships	210,500	98,500
Rhonmill Limited	410,000	-
	640,000	118,000

In April 2005 Rhondda Development Company Limited made a sponsorship investment of £98,500 with Challenger Syndicateships. There is a guaranteed return of 20% per annum on this investment. The initial period of this agreement expires 8 April 2007 with renewal by mutual consent of both parties for a further year and thereafter annually by mutual agreement.

In November 2006, Rhondda Development Company Limited purchased two shares in a 15 metre Dutch barge "Isabel", at a price of £56,000 per share. This investment is for a period of six months and will expire on 8 April 2007. This investment is shown in "Investment in Challenger Syndicateship".

Rhondda Development Company Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 March 2007

4 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 3 07 £	31 3 06 £
150,000	Ordinary	£1	150,000	150,000
50,000	Ordinary "B"	£0.25	12,500	12,500
			<u>162,500</u>	<u>162,500</u>

Allotted, issued and fully paid Number	Class	Nominal value	31 3 07 £	31 3 06 £
108,100	Ordinary	£1	108,100	108,100
8,000	Ordinary "B"	£0.25	2,250	2,000
			<u>110,350</u>	<u>110,100</u>

5 TRANSACTIONS WITH DIRECTORS

During the year the company rented leasehold premises to the sum of £5,000 from Mr R A Hulland at a commercial rate

During the year Mr G Smith and Mr C S Aubrey carried out work on behalf of the company to the value of £7,193 and £1,495 respectively

6 SUBSIDIARY UNDERTAKING AND PARTICIPATING INTERESTS

The company's investment in its subsidiary company Goodhood Limited, as referred to note 6, represents the whole of the issued share capital of Goodhood Limited, which is a non trading company

At 31st March 2007 the aggregate share capital and reserves of Goodhood Limited were £10,000 (2006 £10,000) and the profit for the year to that date was £nil (2006 £nil)

7 TRANSACTIONS IN EUROS

During the year ended 31st March 2007, the company opened a Barclays Euro account, a Solbank Euro account and a Solbank Euro deposit account. Solbank is a Spanish based bank. For each transaction the Euro amount is converted into sterling at the median price taken from a currency converter website.