

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011
FOR
RHONDDA DEVELOPMENT COMPANY LIMITED

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FOR THE YEAR ENDED 31 MARCH 2011

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RHONDDA DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2011

DIRECTORS

R A Hulland
Miss N V Hulland
C S Aubrey
G Smith

SECRETARY

Miss N V Hulland

REGISTERED OFFICE:

233-239 High Street
Cymmer
Porth
Rhondda Cynon Taff
CF39 9AD

REGISTERED NUMBER

01226708 (England and Wales)

AUDITORS:

Curtis, Bowden and Thomas Limited
Chartered Certified Accountants and
Registered Auditors
101 Dunraven Street
Tonypandy
Rhondda Cynon Taff
CF40 1AR

REPORT OF THE INDEPENDENT AUDITORS TO
RHONDDA DEVELOPMENT COMPANY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages four to seven, together with the full financial statements of Rhondda Development Company Limited for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 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 Section 444(3) of the Companies Act 2006 and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Other information

On 8 August 2011 we reported as auditors to the shareholders of the company on the full financial statements for the year ended 31 March 2011 prepared under Section 396 of the Companies Act 2006, and our report was as follows:

"We have audited the financial statements of Rhondda Development Company Limited for the year ended 31 March 2011 on pages four to nine. 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 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, 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 financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

REPORT OF THE INDEPENDENT AUDITORS TO
RHONDDA DEVELOPMENT COMPANY LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

Qualified opinion arising from disagreement about accounting treatment

As explained in note 1, investment properties have been shown at historical cost and not at their open market value as required by Statement of Standard Accounting Practice No 19 and it is not impractical to evaluate the difference between the stated cost and its open market value. Whilst the qualification cannot be quantified, the effect of the qualification on distributable profit can only be favourable.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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 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 Report of the Directors in accordance with the small companies regime."

Mr J L Thomas (Senior Statutory Auditor)
for and on behalf of Curtis, Bowden and Thomas Limited
Chartered Certified Accountants and
Registered Auditors
101 Dunraven Street
Tonypany
Rhondda Cynon Taff
CF40 1AR

8 August 2011

ABBREVIATED BALANCE SHEET
31 MARCH 2011

31 3 10			Notes	31 3 11	
£	£			£	£
		FIXED ASSETS			
	3,517,216	Tangible assets	2		3,631,344
	799,876	Investments	3		737,765
	<u>4,317,092</u>				<u>4,369,109</u>
		CURRENT ASSETS			
10,000		Stocks		10,000	
59,852		Debtors		58,051	
1,050,060		Cash at bank		1,151,660	
<u>1,119,912</u>				<u>1,219,711</u>	
		CREDITORS			
474,594		Amounts falling due within one year		448,774	
<u>474,594</u>				<u>448,774</u>	
	645,318	NET CURRENT ASSETS			770,937
	<u>4,962,410</u>	TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,140,046</u>
	(316)	PROVISIONS FOR LIABILITIES			(421)
		ACCRUALS AND DEFERRED INCOME			
	(9,177)				(6,883)
	<u>4,952,917</u>	NET ASSETS			<u>5,132,742</u>
		CAPITAL AND RESERVES			
	110,600	Called up share capital	4		110,600
	2 900	Capital redemption reserve			2,900
	4,839,417	Profit and loss account			5,019,242
	<u>4,952,917</u>	SHAREHOLDERS' FUNDS			<u>5,132,742</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 8 August 2011 and were signed on its behalf by



R A Hulland - Director

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2011

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 April 2008)

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Tangible fixed assets

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

Land and buildings	- No depreciation charge
Plant and machinery etc	- 20% on cost

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

Freehold properties

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.

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 other income of £2,294 (2010 £2,294) in the profit and loss account and balance sheet deferred income of £6,883 (2010 £9,177).

Had Statement of Standard Accounting Practice No. 4 been adopted the profit and loss account would show no other income in 2010 or 2009 and the balance sheet deferred income of £1,326,170 (2010 £1,326,170). This being the total amount of grants received on properties still owned by the company.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2010	3,738,943
Additions	197,869
Disposals	(72,672)
At 31 March 2011	3,864,140
DEPRECIATION	
At 1 April 2010	221,727
Charge for year	11,069
At 31 March 2011	232,796
NET BOOK VALUE	
At 31 March 2011	3,631,344
At 31 March 2010	3,517,216

3 FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows

	31 3 11 £	31 3 10 £
Debentures	9,500	9,500
Shares in group undertakings	10,000	10,000
Investment in Challenger Syndicateships	228,300	213,256
Rhonmill Limited loan	466,700	566,700
Shares in Rhonmill Limited	420	420
Castlegate 618 Limited	22,845	-
	737,765	799,876

4 CALLED UP SHARE CAPITAL

Allotted Number	issued and fully paid Class	Nominal value	31 3 11 £	31 3 10 £
108,100	Ordinary	£1	108,100	108,100
10,000	Ordinary "B"	£0.25	2,500	2,500
			110,600	110,600

5 TRANSACTIONS WITH DIRECTORS

During the year ended 31 March 2011, Mr G Smith and Mr C S Aubrey carried out work on behalf of the company to the value of £11,627 and £4,004

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2011

6 SUBSIDIARY UNDERTAKING AND PARTICIPATING INTERESTS

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

As at 31 March 2011 the aggregate share capital and reserves of Goodhood Limited were £10,000 (2010 £10 000) and the profit for the year to that date was £nil (2010 £nil)

7 TRANSACTIONS IN EUROS

During the year ended 31 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 medianprice taken from a currency converter website This policy has continued in the year to 31 March 2011