

**Company Registration No. 06332621**

**HENSOL CASTLE RESORT  
DEVELOPMENTS LIMITED**

**Report and Financial Statements**

**31 March 2011**

**SATURDAY**



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**24/09/2011**  
**COMPANIES HOUSE**

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**HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2011**

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## **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

G L Leeke  
S N Leeke  
S J Leeke  
M A Fowler FCCA

#### **SECRETARY**

S N Leeke

#### **REGISTERED OFFICE**

Mwyndy Business Park  
Pontyclun  
Rhondda Cynon Taff  
CF72 8PN

#### **BANKERS**

Barclays Bank Plc

#### **SOLICITORS**

Rees Wood Terry  
MLM Cartwright

#### **AUDITOR**

Deloitte LLP  
Cardiff

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## **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

#### **BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The company's principal activity continues to be property development. It has developed various commercial undertakings on the grounds of Hensol Castle Resort, involving the creation of world-class sporting facilities including pitches and head offices for leading professional football teams. The company is undertaking the conversion of existing buildings into an exclusive collection of 59 estate managed and design-led luxury two- and three-bedroom apartments. As at 31 March 2011, 28 of these apartments have been sold.

In addition, the company has planning permission to develop Hensol Castle Hotel and Spa, a 5-star international-class hotel with a spa facility.

The directors are very optimistic about the company's future prospects.

#### **DIVIDENDS**

No dividends were paid or proposed in the current or the prior year.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have reviewed the financial risk management objectives and policies of the company, they do not believe there to be significant risks in this area. The company does not enter into any hedging instruments, as there are believed to be no material exposures. The company does not enter into any financial instruments for speculative purposes.

Appropriate terms are negotiated with suppliers and customers. Management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed as part of the overall J H Leeke and Sons Limited group financing arrangements.

#### **GOING CONCERN**

The company is a wholly-owned subsidiary within the J H Leeke and Sons Limited group of companies and is party to the group banking facilities. The group meets its day-to-day working capital requirements through a composite account facility and a revolving loan provided by the group's bankers. In addition, the group has three long-term bank loans and during the year the group operated within agreed facilities and met all banking covenants.

Furthermore, the group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities for at least the next 12 months.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

#### **DIRECTORS**

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

## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### DIRECTORS' REPORT (continued)

#### 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



S N Leeke  
Secretary

Date

22/9/2011

## **HENSOL CASTLE RESORT DEVELOPMENTS 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,
- state whether applicable UK Accounting Standards have been followed, 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 MEMBER OF HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

We have audited the financial statements of Hensol Castle Resort Developments Limited for the year ended 31 March 2011 which comprise the profit and loss account, the statement of movement in shareholder's funds and reconciliation of movements on reserves, the balance sheet and the related notes 1 to 12. 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 member 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 member those matters we are required to state to it 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 member, 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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit 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 Company Act 2006.

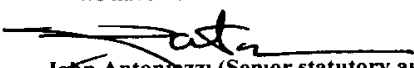
### **Opinion on other matter prescribed by the Companies Act 2006**

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.

  
**John Antoniazzi (Senior statutory auditor)**  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Registered Auditor  
Cardiff, United Kingdom

Date *22 September 2011*

## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### PROFIT AND LOSS ACCOUNT Year ended 31 March 2011

|                                                          | Note | 2011<br>£   | 2010<br>£   |
|----------------------------------------------------------|------|-------------|-------------|
| <b>TURNOVER</b>                                          | 1    | 9,922,404   | 4,264,672   |
| Cost of sales                                            |      | (8,262,184) | (3,535,538) |
| <b>GROSS PROFIT</b>                                      |      | 1,660,220   | 729,134     |
| Administrative expenses                                  |      | (62,969)    | (41,347)    |
| Other operating income                                   |      | 2,039       | 531         |
| <b>OPERATING PROFIT</b>                                  | 2    | 1,599,290   | 688,318     |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |      | 1,599,290   | 688,318     |
| Tax on profit on ordinary activities                     | 4    | (447,801)   | (192,729)   |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                     |      | 1,151,489   | 495,589     |

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

**HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

**STATEMENT OF MOVEMENT IN SHAREHOLDER'S FUNDS AND  
RECONCILIATION OF MOVEMENTS ON RESERVES  
Year ended 31 March 2011**

|                               | <b>Share<br/>capital<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> | <b>Total<br/>£</b> |
|-------------------------------|--------------------------------|------------------------------------------|--------------------|
| Balance at 1 April 2010       | 1,000                          | 500,799                                  | 501,799            |
| Profit for the financial year | -                              | 1,151,489                                | 1,151,489          |
| Balance at 31 March 2011      | <u>1,000</u>                   | <u>1,652,288</u>                         | <u>1,653,288</u>   |

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## BALANCE SHEET 31 March 2011

|                                                                | Note | 2011<br>£           | 2010<br>£           |
|----------------------------------------------------------------|------|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                                          |      |                     |                     |
| Stocks                                                         | 5    | 10,091,695          | 13,716,162          |
| Debtors – due within one year                                  | 6    | 664,555             | 388,323             |
| Debtors – due after more than one year                         | 6    | 7,692,165           | 2,404,642           |
| Cash at bank and in hand                                       |      | -                   | 1,509,952           |
|                                                                |      | <u>18,448,415</u>   | <u>18,019,079</u>   |
| <b>CREDITORS: amounts falling due within one year</b>          | 7    | <u>(721,650)</u>    | <u>(531,872)</u>    |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>17,726,765</u>   | <u>17,487,207</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 8    | <u>(16,073,477)</u> | <u>(16,985,408)</u> |
| <b>NET ASSETS</b>                                              |      | <u>1,653,288</u>    | <u>501,799</u>      |
| <b>CAPITAL AND RESERVES</b>                                    |      |                     |                     |
| Called up share capital                                        | 9    | 1,000               | 1,000               |
| Profit and loss account                                        |      | <u>1,652,288</u>    | <u>500,799</u>      |
| <b>SHAREHOLDER'S FUNDS</b>                                     |      | <u>1,653,288</u>    | <u>501,799</u>      |

These financial statements of Hensol Castle Resort Developments Limited, registered number 06332621, were approved by the Board of Directors and authorised for issue on 22/9/11

Signed on behalf of the Board of Directors

  
G L Hockley  
Director

  
M A Fowler FCCA  
Director

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## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

#### 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

The company is a wholly-owned subsidiary within the J H Leeke and Sons Limited group of companies and is party to the group banking facilities. The group meets its day-to-day working capital requirements through a composite account facility and a revolving loan provided by the group's bankers. In addition, the group has three long-term bank loans and during the year the group operated within agreed facilities and met all banking covenants.

Furthermore, the group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities for at least the next 12 months.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

##### Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. All turnover arises in the United Kingdom and from one class of business. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

##### 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.

## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2011

#### 1. ACCOUNTING POLICIES (continued)

##### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and finance costs which are directly attributable to the construction of the development stock. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for sale are in progress.

##### Cash flow statement

The company has taken advantage of the exemption under FRS1 from preparing a cash flow statement, being a wholly owned subsidiary undertaking of a company preparing consolidated financial statements which are publicly available.

##### Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### 2. OPERATING PROFIT

The company's audit fee for the current financial year of £923 (2010 - £1,400) is borne by Leekes Limited, a group undertaking and not recharged.

#### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

|                                                          | 2011<br>No.    | 2010<br>No.   |
|----------------------------------------------------------|----------------|---------------|
| Average number of employees                              | 5              | 4             |
|                                                          | £              | £             |
| <b>Staff costs during the year (including directors)</b> |                |               |
| Wages and salaries                                       | 99,635         | 77,912        |
| Social security costs                                    | 9,123          | 2,819         |
| Pension costs                                            | 969            | -             |
|                                                          | <u>109,727</u> | <u>80,731</u> |

All directors are remunerated by a fellow subsidiary, Leekes Limited, for their services to the group as a whole totalling £474,014 (2010 - £529,629). It is not practicable to allocate their remuneration between services to this company and to the group as a whole.

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2011

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

|                                                        | 2011<br>£        | 2010<br>£        |
|--------------------------------------------------------|------------------|------------------|
| <b>Current taxation</b>                                |                  |                  |
| United Kingdom corporation tax                         |                  |                  |
| Current tax on income for the year at 28% (2010 – 28%) | (447,801)        | (192,729)        |
| <b>Total current tax</b>                               | <u>(447,801)</u> | <u>(192,729)</u> |

The difference between total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

|                                                                     | £                | £                |
|---------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before tax                            | 1,599,290        | 688,318          |
| Tax on profit on ordinary activities before tax at 28% (2010 – 28%) | (447,801)        | (192,729)        |
| <b>Current tax charge for the year</b>                              | <u>(447,801)</u> | <u>(192,729)</u> |

The reduction in the tax rate to 26% from 1 April 2011 and 25% from 1 April 2012 is not anticipated to materially affect the future tax charge

### 5. STOCKS

|                  | 2011<br>£         | 2010<br>£         |
|------------------|-------------------|-------------------|
| Development land | <u>10,091,695</u> | <u>13,716,162</u> |

# **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 31 March 2011**

### **6. DEBTORS**

|                                     | 2011<br>£        | 2010<br>£        |
|-------------------------------------|------------------|------------------|
| <b>Due within one year</b>          |                  |                  |
| Trade debtors                       | 2,980            | 156,146          |
| Amounts due from related parties    | 53,000           | -                |
| Other taxation and social security  | -                | 218,603          |
| Prepayments                         | 13,575           | 13,574           |
| Director's loan account (note 11)   | 595,000          | -                |
|                                     | <u>664,555</u>   | <u>388,323</u>   |
|                                     | £                | £                |
| <b>Due after more than one year</b> |                  |                  |
| Amounts owed by group undertakings  | <u>7,692,165</u> | <u>2,404,642</u> |

Included within amounts owed by group undertakings is £1,000 (2010 - £1,000) relating to unpaid share capital

### **7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2011<br>£      | 2010<br>£      |
|---------------------------------|----------------|----------------|
| Bank overdraft                  | 601            | -              |
| Other taxes and social security | 325,284        | -              |
| Trade creditors                 | 94,779         | 2,199          |
| Corporation tax                 | 269,109        | 192,729        |
| Accruals and deferred income    | 31,877         | 336,944        |
|                                 | <u>721,650</u> | <u>531,872</u> |

The bank overdraft is secured over the assets of the company

### **8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    | 2011<br>£         | 2010<br>£         |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | <u>16,073,477</u> | <u>16,985,408</u> |

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## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2011

#### 9. CALLED UP SHARE CAPITAL

|                               | 2011<br>£ | 2010<br>£ |
|-------------------------------|-----------|-----------|
| <b>Authorised</b>             |           |           |
| Ordinary shares of £1 each    | 100,000   | 100,000   |
| <b>Allotted and called up</b> |           |           |
| Ordinary shares of £1 each    | 1,000     | 1,000     |

The allotted shares remain unpaid at 31 March 2011

#### 10. CONTINGENT LIABILITIES

A contingent liability exists in respect of inter-group cross guarantees entered into in respect of group bank borrowings. Group bank borrowings at the balance sheet date amount to £17,368,759 (2010 - £17,994,923)

#### 11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under Financial Reporting Standard Number 8 not to disclose transactions with entities, 100% of whose voting rights are controlled within the group. Turnover in the current year includes £595,000 (2010 - £nil) in respect of an apartment sold to G L Leeke and £53,000 (2010 - £nil) in respect of land sold to C Leeke, son of G L Leeke. Both of these amounts remain unpaid at the balance sheet date.

#### 12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is J H Leeke and Sons Limited, a company registered in England and Wales.

The directors consider the parent company's controlling party to be G L Leeke.

J H Leeke and Sons Limited is the parent of the smallest and largest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements of J H Leeke and Sons Limited are available from Companies House, Crown Way, Mandy, Cardiff.