

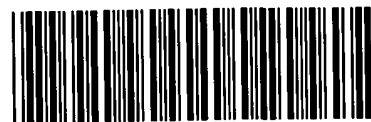
**COMPANY REGISTRATION NO. 06332621 (England and Wales)**

**HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**TUESDAY**



**\*A6LN6V5L\***

**A23**

**19/12/2017**

**#176**

**COMPANIES HOUSE**

# **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

## **COMPANY INFORMATION**

---

**Directors**                      Mr G L Leeke OBE FCA  
                                         Mr S N Leeke  
                                         Ms E J Leeke  
                                         Mr S J Leeke  
                                         Mr M A Fowler FCCA  
                                         Mr P Martin

**Secretary**                      Mr S N Leeke

**Company number**              06332621

**Registered office**              Mwyndy Business Park  
                                         Mwyndy  
                                         Pontyclun  
                                         Mid Glamorgan  
                                         Wales  
                                         CF72 8PN

**Auditor**                          UHY Hacker Young  
                                         Lanyon House  
                                         Mission Court  
                                         Newport  
                                         South Wales  
                                         United Kingdom  
                                         NP20 2DW

---

# **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

## **CONTENTS**

---

|                                       | <b>Page</b> |
|---------------------------------------|-------------|
| Directors' report                     | 1           |
| Directors' responsibilities statement | 2           |
| Independent auditor's report          | 3 - 4       |
| Profit and loss account               | 5           |
| Balance sheet                         | 6           |
| Statement of changes in equity        | 7           |
| Notes to the financial statements     | 8 - 15      |

---

# **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

---

The directors present their annual report and financial statements for the year ended 31 March 2017.

### **Principal activities**

The principal activity of the company continued to be that of property development.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G L Leeke OBE FCA

Mr S N Leeke

Ms E J Leeke

Mr S J Leeke

Mr M A Fowler FCCA

Mr P Martin

### **Auditor**

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



Mr M A Fowler FCCA

**Director**

27 September 2017

## **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

---

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;
- 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.

## **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

---

We have audited the financial statements of Hensol Castle Resort Developments Limited for the year ended 31 March 2017 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

**HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

---

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



**Mr John Griffiths (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

27 September 2017

**Chartered Accountants**  
**Statutory Auditor**

Lanyon House  
Mission Court  
Newport  
South Wales  
United Kingdom  
NP20 2DW

**HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2017**

|                                                               | Notes | 2017<br>£       | 2016<br>£          |
|---------------------------------------------------------------|-------|-----------------|--------------------|
| <b>Turnover</b>                                               |       | 1,308           | 3,572,095          |
| Cost of sales                                                 |       | -               | (6,577,089)        |
| <b>Gross profit/(loss)</b>                                    |       | 1,308           | (3,004,994)        |
| Administrative expenses (including exceptional items, note 3) |       | (108,196)       | (29,082)           |
| Other operating income                                        |       | 123,710         | 141,709            |
| <b>Profit/(loss) before taxation</b>                          |       | 16,822          | (2,892,367)        |
| Tax                                                           | 4     | (74,467)        | 88,449             |
| <b>Loss for the financial year</b>                            |       | <u>(57,645)</u> | <u>(2,803,918)</u> |

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

|                                                                | Notes | 2017<br>£   | £            | 2016<br>£   | £            |
|----------------------------------------------------------------|-------|-------------|--------------|-------------|--------------|
| <b>Fixed assets</b>                                            |       |             |              |             |              |
| Tangible assets                                                | 5     |             | 208,925      |             | 213,050      |
| <b>Current assets</b>                                          |       |             |              |             |              |
| Stocks                                                         |       | 3,417,309   |              | 3,250,841   |              |
| Debtors                                                        | 6     | 13,792,986  |              | 13,708,287  |              |
| Cash at bank and in hand                                       |       | -           |              | 327,859     |              |
|                                                                |       |             |              |             |              |
|                                                                |       | 17,210,295  |              | 17,286,987  |              |
| <b>Creditors: amounts falling due within one year</b>          | 7     | (1,732,847) |              | (2,003,907) |              |
| <b>Net current assets</b>                                      |       |             | 15,477,448   |             | 15,283,080   |
| <b>Total assets less current liabilities</b>                   |       |             | 15,686,373   |             | 15,496,130   |
| <b>Creditors: amounts falling due after more than one year</b> | 8     |             | (15,372,363) |             | (15,126,018) |
| <b>Net assets</b>                                              |       |             | 314,010      |             | 370,112      |
| <b>Capital and reserves</b>                                    |       |             |              |             |              |
| Called up share capital                                        | 10    |             | 1,000        |             | 1,000        |
| Revaluation reserve                                            |       |             | 89,312       |             | 89,312       |
| Profit and loss reserves                                       |       |             | 223,698      |             | 279,800      |
| <b>Total equity</b>                                            |       |             | 314,010      |             | 370,112      |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2017 and are signed on its behalf by:



Mr M A Fowler FCCA  
Director

Company Registration No. 06332621

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

|                                            | Share capital | Revaluation<br>reserve | Profit and<br>loss reserves | Total       |
|--------------------------------------------|---------------|------------------------|-----------------------------|-------------|
|                                            | £             | £                      | £                           | £           |
| <b>Balance at 1 April 2015</b>             | 1,000         | -                      | 3,098,364                   | 3,099,364   |
| <b>Year ended 31 March 2016:</b>           |               |                        |                             |             |
| Loss for the year                          | -             | -                      | (2,803,918)                 | (2,803,918) |
| Other comprehensive income:                |               |                        |                             |             |
| Revaluation of tangible fixed assets       | -             | 89,312                 | -                           | 89,312      |
| Tax relating to other comprehensive income | -             | -                      | (14,646)                    | (14,646)    |
| Total comprehensive income for the year    | -             | 89,312                 | (2,818,564)                 | (2,729,252) |
| <b>Balance at 31 March 2016</b>            | 1,000         | 89,312                 | 279,800                     | 370,112     |
| <b>Year ended 31 March 2017:</b>           |               |                        |                             |             |
| Loss for the year                          | -             | -                      | (57,645)                    | (57,645)    |
| Other comprehensive income:                |               |                        |                             |             |
| Tax relating to other comprehensive income | -             | -                      | 1,543                       | 1,543       |
| Total comprehensive income for the year    | -             | -                      | (56,102)                    | (56,102)    |
| <b>Balance at 31 March 2017</b>            | 1,000         | 89,312                 | 223,698                     | 314,010     |

# **HENSOL CASTLE RESORT DEVELOPMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

---

### **1 Accounting policies**

#### **Company information**

Hensol Castle Resort Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mwyndy Business Park, Mwyndy, Pontyclun, Mid Glamorgan, Wales, CF72 8PN.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of J.H. Leeke and Sons Limited. These consolidated financial statements are available from its registered office, Mwyndy Business Park, Mwyndy, Pontyclun, Mid Glamorgan, Wales, CF72 8PN.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

The group's banking facilities were renewed in April 2016 by its bankers Barclays Bank Plc and Lloyds Bank Plc on favourable terms. The group is able to take advantage of a £40m Revolving Credit Facility ("RCF") which along with the cash generated from the strong profitability being generated allows the group to continue to invest in its core operations.

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                             |                             |
|-----------------------------|-----------------------------|
| Freehold land and buildings | Not depreciated             |
| Plant and machinery         | Between 15% and 20% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

No depreciation is provided on freehold land as, in the opinion of the directors, the residual value of the properties is not lower than their value at the date of acquisition. An annual impairment review is carried out by the directors in respect of these buildings.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

## HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

---

#### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

---

### 1 Accounting policies

(Continued)

#### Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 1 Accounting policies

(Continued)

#### 1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### 2 Operating profit/(loss)

The company's audit fee for the current year of £942 (2016: £942) is borne by Leekes Limited, a group undertaking, and recharged to the company.

Operating profit for the year is stated after charging exceptional items of £70,000 (2016: £nil), refer to note 3.

### 3 Exceptional costs/(income)

|                             | 2017<br>£ | 2016<br>£ |
|-----------------------------|-----------|-----------|
| Legal and professional fees | 70,000    | -         |

During the current year the company has recognised an exceptional cost of £70,000 related to an out of court settlement of a legal case.

### 4 Taxation

|                                                | 2017<br>£ | 2016<br>£ |
|------------------------------------------------|-----------|-----------|
| <b>Deferred tax</b>                            |           |           |
| Origination and reversal of timing differences | 74,467    | (88,449)  |

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

|                                                                                                               | 2017<br>£ | 2016<br>£   |
|---------------------------------------------------------------------------------------------------------------|-----------|-------------|
| Profit/(loss) before taxation                                                                                 | 16,822    | (2,892,367) |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%) | 3,364     | (578,473)   |
| Adjustments in respect of prior years                                                                         | 74,425    | -           |
| Effect of change in corporation tax rate                                                                      | 419       | 9,759       |
| Group relief                                                                                                  | (3,741)   | 480,265     |
| Taxation charge/(credit) for the year                                                                         | 74,467    | (88,449)    |

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 4 Taxation

(Continued)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

|                                                      | 2017<br>£ | 2016<br>£ |
|------------------------------------------------------|-----------|-----------|
| Deferred tax arising on:                             |           |           |
| Revaluation recognised as other comprehensive income | (1,543)   | 14,646    |

### 5 Tangible fixed assets

|                                    | Freehold<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>£ | Total<br>£ |
|------------------------------------|----------------------------------------|-----------------------------|------------|
| <b>Cost</b>                        |                                        |                             |            |
| At 1 April 2016 and 31 March 2017  | 201,600                                | 27,500                      | 229,100    |
| <b>Depreciation and impairment</b> |                                        |                             |            |
| At 1 April 2016                    | -                                      | 16,050                      | 16,050     |
| Depreciation charged in the year   | -                                      | 4,125                       | 4,125      |
| At 31 March 2017                   | -                                      | 20,175                      | 20,175     |
| <b>Carrying amount</b>             |                                        |                             |            |
| At 31 March 2017                   | 201,600                                | 7,325                       | 208,925    |
| At 31 March 2016                   | 201,600                                | 11,450                      | 213,050    |

### 6 Debtors

|                                                      | 2017<br>£  | 2016<br>£  |
|------------------------------------------------------|------------|------------|
| <b>Amounts falling due within one year:</b>          |            |            |
| Trade debtors                                        | 2,561      | (478)      |
| Other debtors                                        | 11,744     | 41,636     |
|                                                      | 14,305     | 41,158     |
| Deferred tax asset                                   | 256        | 73,180     |
|                                                      | 14,561     | 114,338    |
| <b>Amounts falling due after more than one year:</b> |            |            |
| Amounts due from group undertakings                  | 13,778,425 | 13,593,949 |
| <b>Total debtors</b>                                 | 13,792,986 | 13,708,287 |

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 6 Debtors

(Continued)

Included within amounts owed by group undertakings is £1,000 (2016: £1,000) relating to unpaid share capital.

Amounts owed by group undertakings are unsecured, interest-free and are not repayable within 12 months.

### 7 Creditors: amounts falling due within one year

|                                    | 2017<br>£        | 2016<br>£        |
|------------------------------------|------------------|------------------|
| Bank overdrafts                    | 366,009          | -                |
| Trade creditors                    | 6,449            | 7,794            |
| Other taxation and social security | -                | 666,815          |
| Other creditors                    | 1,360,389        | 1,329,298        |
|                                    | <u>1,732,847</u> | <u>2,003,907</u> |

### 8 Creditors: amounts falling due after more than one year

|                                   | 2017<br>£         | 2016<br>£         |
|-----------------------------------|-------------------|-------------------|
| Amounts due to group undertakings | <u>15,372,363</u> | <u>15,126,018</u> |

### 9 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                                | Assets<br>2017<br>£ | Assets<br>2016<br>£ |
|--------------------------------|---------------------|---------------------|
| <b>Balances:</b>               |                     |                     |
| Accelerated capital allowances | 492                 | (222)               |
| Tax losses                     | 12,867              | 88,048              |
| Revaluations                   | (13,103)            | (14,646)            |
|                                | <u>256</u>          | <u>73,180</u>       |

#### Movements in the year:

|                                      | 2017<br>£    |
|--------------------------------------|--------------|
| Liability/(Asset) at 1 April 2016    | (73,180)     |
| Charge to profit or loss             | 74,467       |
| Credit to other comprehensive income | (1,543)      |
| Liability/(Asset) at 31 March 2017   | <u>(256)</u> |

The deferred tax asset set out above is expected to reverse in the foreseeable future.

# HENSOL CASTLE RESORT DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

### 10 Called up share capital

|                                  | 2017<br>£    | 2016<br>£    |
|----------------------------------|--------------|--------------|
| <b>Ordinary share capital</b>    |              |              |
| <b>Issued and fully paid</b>     |              |              |
| 1,000 Ordinary shares of £1 each | 1,000        | 1,000        |
|                                  | <u>1,000</u> | <u>1,000</u> |

### 11 Financial commitments, guarantees and 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 £35,500,000 (2016: £25,300,000).

### 12 Related party transactions

The company has taken advantage of exemption, under the terms of FRS 102, Section 33.1A, from disclosing related party transactions with wholly owned subsidiaries within the group.

At the year end the company was owed £2,755,487 (2016: £2,755,487) by J.H. Leeke and Sons Limited, its parent company.

At the year end the company was owed £11,022,938 (2016: £10,838,462) by Vale of Glamorgan Hotel Limited, a group company.

At the year end the company owed £15,372,363 (2016: £15,126,018) to Leekes Limited, a group company.

At the year end the company owed £1,275,194 (2016: £1,273,730) to Hensol Castle Park Developments Limited, a company owned and controlled by G L Leeke.

### 13 Parent company

The immediate and ultimate parent company is J H Leeke and Sons Limited, a company incorporated in England and Wales. 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 consolidated accounts are prepared. Copies of the J H Leeke and Sons Limited accounts can be obtained from the company's registered office.

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