

Financial Statements Llangoed Limited

For the period ended 31 December 2012



Registered number: 8101288

Company Information

Directors	R F Hancox (appointed 12 June 2012) N J Anton (appointed 12 June 2012) C C Milne (appointed 17 September 2012)
Registered number	8101288
Registered office	Vines Lane Droitwich Spa Worcestershire WR9 8LU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT
Bankers	Lloyds TSB 125 Colmore Row Birmingham B3 3SD

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Directors' Report

For the period ended 31 December 2012

The directors present their report and the financial statements for the period ended 31 December 2012.

Principal activities and business review

The company was incorporated on 12 June 2012. It acquired the luxury hotel business of Llangoed Hall from its administrators on 10 July 2012.

The directors have concentrated on restoring the internal appointment of the hotel and the quality of its offering. Considerable investments have been made during the period and further investment is planned in 2013.

The principal activity of the company is that of a luxury hotel operator.

Going concern

In common with the most companies within the UK, the current economic conditions create uncertainty. The directors have carefully considered the appropriateness of preparing the financial statements on a going concern basis. Details of the directors' review and conclusion are detailed under the heading 'Going concern' in the principal accounting policies.

Directors

The directors who served during the period were:

R F Hancox (appointed 12 June 2012)

N J Anton (appointed 12 June 2012)

C C Milne (appointed 17 September 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 judgments 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.

Directors' Report

For the period ended 31 December 2012

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the 's auditor is unaware, and
- that director has taken all the steps that they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditor

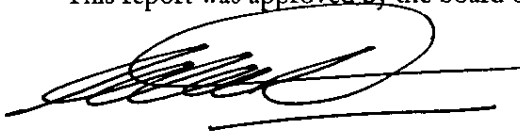
The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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

Small company provision

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

This report was approved by the board on 18 April 2013 and signed on its behalf



C C Milne
Director

Independent Auditor's Report to the Members of Llangoed Limited

We have audited the financial statements of Llangoed Limited for the period ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Llangoed Limited

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, 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

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

David Munton (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Birmingham

18 April 2013

Profit and Loss Account

For the period ended 31 December 2012

	Note	6 months ended 31 December 2012 £
Turnover	1	349,860
Cost of sales		<u>(130,559)</u>
Gross profit		219,301
Administrative expenses		<u>(768,023)</u>
Loss on ordinary activities before taxation		(548,722)
Tax on loss on ordinary activities	4	<u>90,000</u>
Loss for the financial period	12	<u><u>(458,722)</u></u>

The notes on pages 7 to 12 form part of these financial statements

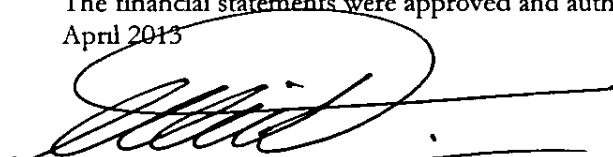
Balance Sheet

As at 31 December 2012

	Note	£	2012 £
Fixed assets			
Intangible assets	5		427,490
Tangible assets	6		825,681
			<u>1,253,171</u>
Current assets			
Stocks	7	17,140	
Debtors	8	169,084	
Cash in hand		1,881	
		<u>188,105</u>	
Creditors: amounts falling due within one year	9	(545,347)	
Net current liabilities			<u>(357,242)</u>
Total assets less current liabilities			<u>895,929</u>
Creditors: amounts falling due after more than one year	10		<u>(1,354,650)</u>
Net liabilities			<u><u>(458,721)</u></u>
Capital and reserves			
Called up share capital	11		1
Profit and loss account	12		<u>(458,722)</u>
Equity shareholders' deficit	13		<u><u>(458,721)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 April 2013



C C Milne
Director

The notes on pages 7 to 12 form part of these financial statements

Notes to the Financial Statements

For the period ended 31 December 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

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)

1.2 Going concern

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors have considered the group's ability to continue as a going concern. Given the considerable financial resources held by the group, the forecast trading and cash flow performance of the group, the directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements.

1.3 Turnover

Turnover represents the value, net of value added tax and discounts, of goods and services provided to guests. Revenue is recognised on a daily basis when a right to consideration has been earned.

Turnover attributable to events is recognised in the period which the event takes place.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life of 10 years.

Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete stock.

Notes to the Financial Statements

For the period ended 31 December 2012

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & equipment	-	1-5 years
Fixtures & fittings	-	2-10 years
Small tools and equipment	-	1-5 years

Artwork is deemed to have an indefinite useful life and as such is not subject to depreciation. Annual impairment reviews are performed.

This treatment, as regards the company's artwork, is a departure from the requirements of the Companies Act 2006 concerning the depreciation of fixed assets. However, as detailed above, artwork is considered to have an indefinite useful life and as such the accounting policy is adopted to ensure the financial statements give a true and fair view.

1.7 Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior period, and are unpaid at the reporting date. They are calculated according to tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the year. All changes to current tax assets and liabilities are recognised as a component of the tax expense in the profit and loss account.

1.8 Related Party Transaction

Under the terms of Financial Reporting Standard 8 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with entities that are wholly owned subsidiaries of Inter Rested Limited.

1.9 Financial Instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Financial costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Notes to the Financial Statements

For the period ended 31 December 2012

2. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging

	6 months ended 31 December 2012 £
Amortisation - intangible fixed assets	22,500
Depreciation of tangible fixed assets - owned by the company	165,326
Auditor's remuneration - fees payable to the company's auditors in respect of audit services	3,900
	<u>191,726</u>

3. Directors' remuneration

	6 months ended 31 December 2012 £
Aggregate emoluments	25,339
	<u>25,339</u>

4. Taxation

	6 months ended 31 December 2012 £
UK corporation tax credit on loss for the period	(90,000)
	<u>(90,000)</u>

Notes to the Financial Statements

For the period ended 31 December 2012

5. Intangible fixed assets

	Goodwill £
Cost	
Acquired	-
At 31 December 2012	449,990
Amortisation	
Charge for the period	-
At 31 December 2012	22,500
Net book value	
At 31 December 2012	427,490

6. Tangible fixed assets

	Plant & equipment £	Fixtures & fittings £	Artwork £	Small tools & equipment £	Fixed plant £	Total £
Cost						
Additions	110,619	38,692	14,750	1,946	-	166,007
Acquired	100,000	200,000	400,000	-	125,000	825,000
At 31 December 2012	210,619	238,692	414,750	1,946	125,000	991,007
Depreciation						
Charge for the period	55,145	68,401	-	113	41,667	165,326
At 31 December 2012	55,145	68,401	-	113	41,667	165,326
Net book value						
At 31 December 2012	155,474	170,291	414,750	1,833	83,333	825,681

7. Stocks

	2012 £
Liquor stock	9,070
Housekeeping stock	3,835
Food stock	4,235
	17,140

Notes to the Financial Statements

For the period ended 31 December 2012

8. Debtors

	2012 £
Amounts owed by group undertakings	5,873
Other taxes and social security	31,999
Prepayments and accrued income	41,212
Tax recoverable	90,000
	<hr/>
	169,084
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9. Creditors: Amounts falling due within one year

	2012 £
Bank loans and overdrafts	253,344
Trade creditors	215,035
Amounts owed to group undertakings	27,105
Social security and other taxes	4,836
Accruals	11,218
Deposits	27,725
Other creditors	6,084
	<hr/>
	545,347
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The bank overdraft is secured by a fixed and floating charge over the assets of the company and its fellow United Kingdom group undertakings

10. Creditors: Amounts falling due after more than one year

	2012 £
Amounts owed to group undertakings	1,354,650
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11. Share capital

	2012 £
Allotted, called up and fully paid	
1 Ordinary share of £1	1
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The entire share capital consisting of 1 Ordinary share of £1, was issued on 12 June 2012 to Inter Mediate Group Limited

Notes to the Financial Statements

For the period ended 31 December 2012

12. Reserves

	Profit and loss account £
Loss for the period	(458,722)
At 31 December 2012	<u>(458,722)</u>

13. Reconciliation of movement in equity shareholder's deficit

	2012 £
Issue of Ordinary share capital	1
Loss for the period	(458,722)
Equity shareholder's deficit	<u>(458,721)</u>

14. Contingent liabilities

The company is party, together with its holding company and fellow subsidiaries, to a group banking arrangement which includes multilateral cross guarantees. At 31 December 2012, the contingent liability under this arrangement was £3,503,785.

15. Capital commitments

At 31 December 2012 the company had no capital commitments.

16. Related party transactions

The company has taken advantage of the exemption in FRS8 Related Party Disclosures not to disclose transactions with wholly owned group entities, whose voting rights are held within the group, and which are included in the financial statements of Inter Rested Limited.

17. Ultimate parent undertaking and controlling party

The immediate parent company is Inter Mediate Group Limited, a company incorporated in England and Wales.

The ultimate holding company in Inter Rested Limited, a company incorporated in England and Wales. Copies of the Inter Rested Limited accounts are available from Inter Rested Limited, Vines Lane, Droitwich Spa, Worcestershire, WR9 8LU.

The ultimate controlling party is Roger Hancox, by virtue of his 100% shareholding in Inter Rested Limited.