

**Smailes Goldie**  
Chartered Accountants

REGISTERED NUMBER: 00813569

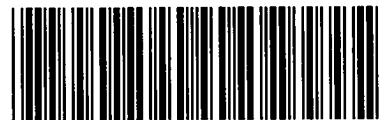
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# Horncastle Group PLC

## Financial Statements

31st March 2015

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Chartered  
accountants  
& lawyers



# **Horncastle Group PLC (Registered number: 00813569)**

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# Horncastle Group PLC

## Company Information

for the year ended 31st March 2015

**DIRECTORS:** W A Horncastle  
A N Horncastle  
D C Watson  
I R Hodges

**SECRETARY:** Mrs C D Horncastle

**REGISTERED OFFICE:** Holderness House  
36 Market Place  
South Cave  
East Yorkshire  
HU15 2AT

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**REGISTERED NUMBER:** 00813569 (England and Wales)

**AUDITORS:** Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

**BANKERS:** HSBC Bank PLC  
Merit House  
Saxon Way  
Priory Park West  
Hessle  
East Yorkshire  
HU13 9PB

**BANKERS:** Handelsbanken  
1st Floor  
Westcott House  
Hesslewood Business Park  
Hessle  
HU13 OPF

# Horncastle Group PLC (Registered number: 00813569)

## Strategic Report

*for the year ended 31st March 2015*

The directors present their strategic report for the year ended 31st March 2015.

### REVIEW OF BUSINESS

The directors are satisfied with the underlying performance of the company and are confident that the continued efforts of the company and the company management will ensure further progress.

### PRINCIPAL RISKS AND UNCERTAINTIES

The company has carried out a formal exercise to identify and assess the risks that impact on its business. The more significant risks and uncertainties faced by the group were identified as competitive risks such as occupancy rates, margins, return on investment, proposed changes in legislation and financial risks that include credit risk, liquidity risk and interest rate risk, as set out below.

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

#### Competitive risks

The company has a quarterly review meeting with its property management agent to review occupancy rates, voids, rent reviews and investment opportunities.

The board meets monthly to review the financial performance of the company's development activities and their joint venture projects. Minutes of the meetings are kept and record the status of each project and actions in hand.

#### Legislative risks

Compliance with relevant legislation is reviewed at each board meeting, supported by reports from the company's advisers on construction, health and safety and property management as required.

#### Credit risks

The company has implemented policies that require appropriate credit checks on potential customers before rental agreements are entered into.

The company has a policy to check the credit risk in respect of joint venture parties.

#### Liquidity risk

The company retains sufficient cash to ensure it has sufficient available funds for operations. The company also has access to longer term funding through its available banking facilities, should it be necessary.

#### Interest rate cash flow risk

The only interest bearing assets that the company has are cash balances earning interest at a floating rate. The company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

#### Fixed asset revaluation risk

The company recognises the risks posed by fluctuations in property values. In response to this, the directors have implemented a policy to review annually the value at which the portfolio is held in the balance sheet. The directors do this by either engaging the services of an independent professional valuer or using its in-house team. The results of this valuation and the supporting rationale are provided to the company's auditors during the annual audit.

# Horncastle Group PLC (Registered number: 00813569)

## Strategic Report

for the year ended 31st March 2015

The company's key performance indicators during the year were as follows:

	2015	2014	Change
	£	£	%
Gross profit	1,393,032	1,070,781	30
Operating profit	900,325	554,723	62
Profit after taxation	650,933	423,841	54
Net assets	20,738,677	20,254,297	2

The directors continue to implement a medium / long term plan that saw the disposal of assets and the acquisition of land for development. The approach resulted in a short term reduction in rental income, which the directors believe is acceptable given the anticipated long term resultant balance sheet growth. The development phase of the plan is now delivering tangible benefits and the directors believe that the income from rent and management fees and operating profit represents a reasonable return on the investment, given the above strategy.

**BY ORDER OF THE BOARD:**



Mrs C D Horncastle - Secretary

27th August 2015

# Horncastle Group PLC (Registered number: 00813569)

## Report of the Directors

*for the year ended 31st March 2015*

The directors present their report with the financial statements of the company for the year ended 31st March 2015.

### **DIVIDENDS**

No interim dividend was paid during the year. The directors recommend a final dividend of £1.31323 per share.

The total distribution of dividends for the year ended 31st March 2015 will be £166,553.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2014 to the date of this report.

W A Horncastle  
A N Horncastle  
D C Watson  
I R Hodges

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# Horncastle Group PLC (Registered number: 00813569)

## Report of the Directors

*for the year ended 31st March 2015*

### AUDITORS

The auditors, Smailes Goldie, were appointed by the directors during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

### BY ORDER OF THE BOARD:



Mrs C D Horncastle - Secretary

27th August 2015

# Report of the Independent Auditors to the Members of Horncastle Group PLC

We have audited the financial statements of Horncastle Group PLC for the year ended 31st March 2015 on pages eight to twenty two. 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 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 four, 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 Strategic Report and the Report of the Directors 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 31st March 2015 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 Companies Act 2006.

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

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.



# Report of the Independent Auditors to the Members of Horncastle Group PLC

## **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.

Peter Duffield LLB FCA (Senior Statutory Auditor)  
for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
East Yorkshire HU2 8BA

27th August 2015

# Horncastle Group PLC (Registered number: 00813569)

## Profit and Loss Account for the year ended 31st March 2015

	Notes	2015 £	2014 £
<b>INCOME</b>	2	<b>2,294,751</b>	3,579,476
Charges related to income		<u>901,719</u>	<u>2,508,695</u>
<b>GROSS PROFIT</b>		<b>1,393,032</b>	1,070,781
Administrative expenses		<u>492,707</u>	<u>516,058</u>
<b>OPERATING PROFIT</b>	4	<b>900,325</b>	554,723
Income from participating interests		-	14,800
Interest receivable and similar income		34,979	4,359
Amounts written off investments	5	(500)	-
Interest payable and similar charges	6	<u>(99,963)</u>	<u>(41,486)</u>
		<u>(65,484)</u>	<u>(22,327)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>834,841</b>	532,396
Tax on profit on ordinary activities	7	<u>183,908</u>	<u>108,555</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>650,933</u></b>	<b><u>423,841</u></b>

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

# Horncastle Group PLC (Registered number: 00813569)

## Balance Sheet

31st March 2015

	Notes	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>13,477,358</b>		11,946,925
Investments	10		<b>605</b>		<u>1,105</u>
			<b>13,477,963</b>		11,948,030
<b>CURRENT ASSETS</b>					
Development land and buildings	11	<b>12,233,245</b>		7,807,392	
Debtors	12	<b>1,450,128</b>		835,866	
Cash at bank and in hand		<b>1,193,881</b>		<u>2,391,613</u>	
		<b>14,877,254</b>		11,034,871	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<b>1,114,343</b>		<u>987,371</u>	
<b>NET CURRENT ASSETS</b>			<b>13,762,911</b>		<u>10,047,500</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>27,240,874</b>		21,995,530
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<b>(4,544,403)</b>		(1,219,403)
<b>PROVISIONS FOR LIABILITIES</b>	17		<b>(138,207)</b>		(31,003)
<b>ACCRUALS AND DEFERRED INCOME</b>	18		<b>(1,819,587)</b>		<u>(490,827)</u>
<b>NET ASSETS</b>			<b>20,738,677</b>		<u>20,254,297</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<b>126,827</b>		126,827
Capital redemption reserve	20		<b>588,128</b>		588,128
Profit and loss account	20		<b>20,023,722</b>		<u>19,539,342</u>
<b>SHAREHOLDERS' FUNDS</b>	24		<b>20,738,677</b>		<u>20,254,297</u>

The financial statements were approved by the Board of Directors on 27th August 2015 and were signed on its behalf by



A N Horncastle - Director

The notes form part of these financial statements

# Horncastle Group PLC (Registered number: 00813569)

## Cash Flow Statement

for the year ended 31st March 2015

	Notes	2015 £	2014 £
<b>Net cash (outflow)/inflow from operating activities</b>	1	<b>(4,165,444)</b>	160,673
<b>Returns on investments and servicing of finance</b>	2	<b>(64,984)</b>	(22,327)
<b>Taxation</b>		<b>(118,760)</b>	(19,394)
<b>Capital expenditure</b>	2	<b>(6,991)</b>	(32,030)
<b>Equity dividends paid</b>		<b>(166,553)</b>	(166,553)
		<b>(4,522,732)</b>	(79,631)
<b>Financing</b>	2	<b>3,325,000</b>	602,628
<b>(Decrease)/increase in cash in the period</b>		<b>(1,197,732)</b>	<b>522,997</b>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/increase in cash in the period		(1,197,732)	522,997
Cash inflow from increase in debt		<u>(3,325,000)</u>	<u>(600,000)</u>
Change in net funds resulting from cash flows		<u>(4,522,732)</u>	<u>(77,003)</u>
<b>Movement in net funds in the period</b>		<b>(4,522,732)</b>	(77,003)
<b>Net funds at 1st April</b>		<b>1,791,613</b>	<b>1,868,616</b>
<b>Net (debt)/funds at 31st March</b>		<b>(2,731,119)</b>	<b>1,791,613</b>

The notes form part of these financial statements

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Cash Flow Statement

for the year ended 31st March 2015

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating profit	900,325	554,723
Depreciation charges	4,058	5,751
Revaluation of investment properties	(17,515)	(25,503)
Release of Government Grant	(1,200)	(1,200)
Transfer from WIP to fixed assets	(1,509,985)	-
Increase in stocks	(4,425,853)	(348,763)
Increase in debtors	(614,262)	(414,534)
Increase in creditors	1,498,988	390,199
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(4,165,444)</u></b>	<b><u>160,673</u></b>

### 2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015	2014
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	34,979	4,359
Interest paid	(66,515)	(8,038)
Finance costs	(33,448)	(33,448)
Dividends received	-	14,800
<b>Net cash outflow for returns on investments and servicing of finance</b>	<b><u>(64,984)</u></b>	<b><u>(22,327)</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(6,991)	(32,030)
<b>Net cash outflow for capital expenditure</b>	<b><u>(6,991)</u></b>	<b><u>(32,030)</u></b>
<b>Financing</b>		
New loans in year	3,325,000	600,000
Amount introduced by directors	-	2,628
<b>Net cash inflow from financing</b>	<b><u>3,325,000</u></b>	<b><u>602,628</u></b>

The notes form part of these financial statements

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Cash Flow Statement

for the year ended 31st March 2015

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.14 £	Cash flow £	At 31.3.15 £
Net cash:			
Cash at bank and in hand	<u>2,391,613</u>	<u>(1,197,732)</u>	<u>1,193,881</u>
	<u>2,391,613</u>	<u>(1,197,732)</u>	<u>1,193,881</u>
Debt:			
Debts falling due after one year	<u>(600,000)</u>	<u>(3,325,000)</u>	<u>(3,925,000)</u>
	<u>(600,000)</u>	<u>(3,325,000)</u>	<u>(3,925,000)</u>
Total	<u>1,791,613</u>	<u>(4,522,732)</u>	<u>(2,731,119)</u>

The notes form part of these financial statements

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements

for the year ended 31st March 2015

### 1. ACCOUNTING POLICIES

#### Basis of consolidation

Consolidated accounts have not been prepared as all subsidiaries taken together are immaterial to the group, taking it outside the scope of FRS 2.

#### Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and are in accordance with applicable accounting standards. The true and fair override provisions of the Companies Act 2006 have been invoked; see "investment properties" below.

#### Income

Income comprises revenue recognised by the company in respect of such income generated from developments and rental operations, exclusive of Value Added Tax and trade discounts.

#### Tangible fixed assets

Tangible fixed assets other than investment properties are stated at valuation or 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:

Motor vehicles	- 4 to 5 years
Furniture, fittings and equipment	- 3 to 7 years

#### Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax where the replacement assets are sold.

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

- Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Development land

Work in progress is held in current assets at cost. Subsequently developed properties are either sold to third parties or let to tenants. If the property is sold, the related costs held in WIP are charged to the profit and loss account. If the property is let, then the asset is retained as an investment. At the point of letting, any related costs held in WIP are transferred to Fixed Assets.

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 1. ACCOUNTING POLICIES - continued

#### Joint venture undertakings

Investments in joint ventures are stated at the company's share of net assets less any provisions for impairment. The company's share of the profits or losses of the joint ventures, if applicable, are included in the profit and loss account using the equity accounting basis.

#### Investments

Investments are held at cost less any provision for impairment.

#### Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors necessary in order to give a true and fair view of the financial position of the company and the group.

#### Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants, including ERDF, are credited to the profit and loss account when the asset is sold, or are transferred to the land and buildings within fixed assets to which they relate.

### 2. INCOME

The income generated is separated into that from developments and that from rentals. Income generated from developments is attributable to the sale of development land and buildings and project management fees. Income generated from rentals comprises rents receivable and other sundry operating income. A summary of each activity is shown below. All of the income and the profit before tax are wholly attributable to the company's continuing activities in the United Kingdom.

	2015 £	2014 £
Income from development activities	1,115,407	2,585,818
Income from rental activities	1,179,344	943,658
Project co-ordination fees	-	50,000
<b>Income</b>	<b><u>2,294,751</u></b>	<b><u>3,579,476</u></b>
Charges related to development activities	732,400	1,913,990
Charges related to rental activities	<u>169,319</u>	<u>594,705</u>
<b>Charges related to income</b>	<b><u>901,719</u></b>	<b><u>2,508,695</u></b>
<b>Gross profit</b>	<b><u>1,393,032</u></b>	<b><u>1,070,781</u></b>



# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued for the year ended 31st March 2015

### 3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	515,162	478,896
Social security costs	<u>65,060</u>	<u>62,665</u>
	<u>580,222</u>	<u>541,561</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Administration	5	5
Management	<u>3</u>	<u>3</u>
	<u>8</u>	<u>8</u>

### 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Depreciation--owned-assets	4,058	5,751
Government grant release	(1,200)	(1,200)
Auditors' remuneration	<u>4,250</u>	<u>4,250</u>
	<u>351,373</u>	<u>360,698</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2015 £	2014 £
Emoluments etc	<u>157,589</u>	<u>162,395</u>

### 5. AMOUNTS WRITTEN OFF INVESTMENTS

	2015 £	2014 £
Amount written off investments	<u>500</u>	<u>-</u>

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank loan interest	66,512	8,038
Interest payable on tax	3	-
Non-equity dividends	<u>33,448</u>	<u>33,448</u>
	<u>99,963</u>	<u>41,486</u>

### 7. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax	67,913	110,031
Prior year adjustment	<u>8,791</u>	<u>20</u>
Total current tax	76,704	110,051
Deferred tax:		
Timing differences	<u>107,204</u>	<u>(1,496)</u>
Tax on profit on ordinary activities	<u>183,908</u>	<u>108,555</u>

#### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>834,841</u>	<u>532,396</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 - 23%)	175,317	122,451
Effects of:		
Expenses not deductible for tax purposes	11,590	11,683
Capital allowances in excess of depreciation	(114,114)	(1,456)
Adjustments to tax charge in respect of previous periods	8,791	20
Revaluation of land and buildings	(3,678)	(5,866)
Grant income release	(252)	(276)
Rate difference	(1,055)	(16,505)
Investment write-off	<u>105</u>	<u>-</u>
Current tax charge	<u>76,704</u>	<u>110,051</u>

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 8. DIVIDENDS

	2015 £	2014 £
Ordinary shares of £1 each		
Final	<u>166,553</u>	<u>166,553</u>

In addition, the company has paid £33,448 (2014 £33,448) to the holders of the 'A' ordinary shares which, because of the rights attaching to those shares, has been treated as interest paid (see note 7).

### 9. TANGIBLE FIXED ASSETS

	Investment property £	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1st April 2014	11,567,500	375,000	169,002	6,799	12,118,301
Additions	1,509,985	-	1,491	5,500	1,516,976
Disposals	-	-	(570)	-	(570)
Revaluation	17,515	-	-	-	17,515
At 31st March 2015	<u>13,095,000</u>	<u>375,000</u>	<u>169,923</u>	<u>12,299</u>	<u>13,652,222</u>
<b>DEPRECIATION</b>					
At 1st April 2014	-	-	164,577	6,799	171,376
Charge for year	-	-	3,485	573	4,058
Eliminated on disposal	-	-	(570)	-	(570)
At 31st March 2015	-	-	<u>167,492</u>	<u>7,372</u>	<u>174,864</u>
<b>NET BOOK VALUE</b>					
At 31st March 2015	<u>13,095,000</u>	<u>375,000</u>	<u>2,431</u>	<u>4,927</u>	<u>13,477,358</u>
At 31st March 2014	<u>11,567,500</u>	<u>375,000</u>	<u>4,425</u>	-	<u>11,946,925</u>

Freehold property and investment properties were revalued during the year ended 31st March 2015 by Jones Lang Lasalle a firm of Chartered Surveyors, on an open market existing use basis. The directors consider that the value of the freehold property and investment properties at 31st March 2015 remains unchanged from the valuations performed during the year.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015 £	2014 £
Cost and net book value	<u>14,997,747</u>	<u>13,487,762</u>

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 10. FIXED ASSET INVESTMENTS

	Shares in group undertaking s £	Joint ventures and associates £	Other investment £	Total £
Cost or valuation:				
At 1st April 2014	104	1,000	1	1,105
Amounts written off investments	-	(500)	-	(500)
At 31st March 2015	<u>104</u>	<u>500</u>	<u>1</u>	<u>605</u>

Details of the principal subsidiaries and joint ventures are as follows:

Principal subsidiaries	Country	% shareholding	Description
Cavernmill Estates Limited	UK	100	Dormant
Horncastle Homes Limited	UK	100	Dormant
Horncastle Properties Limited	UK	100	Dormant
Clarpoint Limited	UK	100	Dormant

Principal joint ventures and associates	Country	% shareholding	Description
Pure Urban Limited	UK	33	Property Development

The company holds one share to the value of £1 in the company Gojok Limited.

### 11. DEVELOPMENT LAND AND BUILDINGS

	2015 £	2014 £
Work-in-progress	7,511,049	2,596,663
Land	<u>4,722,196</u>	<u>5,210,729</u>
	<u>12,233,245</u>	<u>7,807,392</u>

### 12. DEBTORS

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	262,726	152,886
Other debtors	285,430	249,629
Prepayments and accrued income	<u>601,972</u>	<u>25,351</u>
	<u>1,150,128</u>	<u>427,866</u>

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued for the year ended 31st March 2015

### 12. DEBTORS - continued

	2015 £	2014 £
Amounts falling due after more than one year: Other debtors	<u>300,000</u>	<u>408,000</u>
Aggregate amounts	<u>1,450,128</u>	<u>835,866</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	81,998	128,439
Amounts owed to group undertakings	104	104
Corporation tax	67,975	110,031
Social security and other taxes	26,263	250
Final dividends declared	200,001	200,001
Accruals and deferred income	<u>738,002</u>	<u>548,546</u>
	<u>1,114,343</u>	<u>987,371</u>

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

	2015 £	2014 £
Bank loans (see note 15)	3,925,000	600,000
Share capital treated as debt	<u>619,403</u>	<u>619,403</u>
	<u>4,544,403</u>	<u>1,219,403</u>

The company has issued 619,403 'A' ordinary shares of £1 each, which are treated as debt.

The rights attached to the 'A' ordinary shares are as follows:

Dividend	The 'A' ordinary shares carry an annual gross preferential dividend of 5.4 pence each. The dividend rights are cumulative.
Voting rights	The 'A' ordinary shares carry voting rights which rank pari passu with the ordinary shares on a show of hands but carry only one vote for every 100,000 shares held in a poll vote.
Winding up	On a winding up of the company the 'A' ordinary shareholders have a right to receive, in preference to payments to ordinary shareholders, £1 per share.

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 15. LOANS

An analysis of the maturity of loans is given below:

	2015 £	2014 £
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>600,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>3,325,000</u>	<u>600,000</u>

Interest at 2.95% above LIBOR is charged on the bank loan for the value of £600,000, which is repayable in full on 11 November 2016.

Interest at 2.95% above LIBOR is charged on the bank loan for the value of £1,625,000, which is repayable in full on 25 July 2017.

Interest at 2.95% above LIBOR is charged on the bank loan for the value of £850,000, which is repayable in full on 21 January 2018.

Interest at 2.95% above LIBOR is charged on the bank loan for the value of £850,000, which is repayable in full on 27 March 2018.

### 16. SECURED DEBTS

The following secured debts are included within creditors:

	2015 £	2014 £
Bank loans	<u>3,925,000</u>	<u>600,000</u>

The bank loans are secured by a first legal charge over Unit 2 and Unit 4, Ozone Way, Howden, DN14 7EA and its associated assets, development land, Ozone Way Howden, DN14 7EA, 36 Market Place, Thirsk, YO7 1LH, 15-19 Shambles, York, YO1 7LZ and Units 2-7 Sidings Court, Henry Boot Way, Hull, HU4 7DY.

### 17. PROVISIONS FOR LIABILITIES

	2015 £	2014 £
Deferred tax		
Accelerated capital allowances	138,350	32,391
Short term timing differences	<u>(143)</u>	<u>(1,388)</u>
	<u>138,207</u>	<u>31,003</u>

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued for the year ended 31st March 2015

### 17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1st April 2014	31,003
Transfer to profit and loss account	107,204
	<hr/>
Balance at 31st March 2015	<u>138,207</u>

### 18. ACCRUALS AND DEFERRED INCOME

	2015 £	2014 £
Deferred government grants	<u>1,819,587</u>	<u>490,827</u>

### 19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015 £	2014 £
Number:	Class:	Nominal value: £1		
126,827	Ordinary		<u>126,827</u>	<u>126,827</u>

### 20. RESERVES

	Profit and loss account £	Capital redemption reserve £	Totals £
At 1st April 2014	19,539,342	588,128	20,127,470
Profit for the year	650,933	-	650,933
Dividends	<u>(166,553)</u>	<u>-</u>	<u>(166,553)</u>
At 31st March 2015	<u>20,023,722</u>	<u>588,128</u>	<u>20,611,850</u>

### 21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for senior employees. The scheme is a funded scheme whose assets are held separately from those of the company in separately administered funds. There were no unpaid contributions at 31st March 2015 or 31st March 2014.

# Horncastle Group PLC (Registered number: 00813569)

## Notes to the Financial Statements - continued

for the year ended 31st March 2015

### 22. RELATED PARTY DISCLOSURES

During the year the company entered into transactions with related parties, in the ordinary course of business, details of which are as follows:

I R Hodges, a director, is also a director of Ian Hodges & Co (Hull) Limited, which acts as a property agent for the company's investment property portfolio. For these services Ian Hodges & Co (Hull) Limited earned fees of £61,317 (2014 £47,371).

Ian Hodges & Co (Hull) Limited pays £5,880 per annum to Horncastle Group PLC to rent space in the company's premises. The amount owed to the company at 31st March 2015 was £6,399 (2014 £4,800).

During the year the company acquired a motor vehicle from A N Horncastle at its market value of £5,500.

In addition to the above, Horncastle Group PLC has paid Beech Hill Investments Limited, a company in which A N Horncastle is a director and shareholder, a sum of £60,000 (2014 £60,000) for property advisory services during the year.

During the year the company received £70,000 from Pure Urban Limited, a joint venture company described in Note 11 to the accounts, in respect of a loan previously written off.

The company received a dividend of £nil (2014 £14,800) from Centre Renewals Limited in the year. Centre Renewals Limited was dissolved on 13 May 2014 and at that date the fixed asset investment was written off.

There were no further transactions with joint ventures and associate companies during the year ended 31st March 2015.

### 23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A N Horncastle.

### 24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit for the financial year	650,933	423,841
Dividends	<u>(166,553)</u>	<u>(166,553)</u>
<b>Net addition to shareholders' funds</b>	<b>484,380</b>	257,288
Opening shareholders' funds	<u>20,254,297</u>	<u>19,997,009</u>
<b>Closing shareholders' funds</b>	<b><u>20,738,677</u></b>	<u>20,254,297</u>