

Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2017  
for  
James Wilby (Builders Merchants) Limited

THURSDAY



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12/07/2018  
COMPANIES HOUSE

James Wilby (Builders Merchants) Limited

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for the Year Ended 31 December 2017

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James Wilby (Builders Merchants) Limited

Company Information  
for the Year Ended 31 December 2017

**DIRECTORS:**

J Llewelyn Jones  
T Owen

**SECRETARY:**

A T Wagstaff

**REGISTERED OFFICE:**

C/o Huws Gray Limited Head Office  
Industrial Estate  
Llangefni  
Anglesey  
LL77 7HL

**REGISTERED NUMBER:**

02041811 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
1 Hardman Square  
Manchester  
M3 3EB

James Wilby (Builders Merchants) Limited

Report of the Directors  
for the Year Ended 31 December 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**CESSATION OF TRADING**

The company ceased trading on 12 April 2017.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2017.

**DIRECTORS**

The directors who have held office during the period from 1 January 2017 to the date of this report are as follows:

J Llewelyn Jones - appointed 12 April 2017

T Owen - appointed 12 April 2017

J M Bates - resigned 12 April 2017

D K Shaw - resigned 12 April 2017

N C Harbidge - resigned 12 April 2017

**RESULTS**

On 12 April 2017, the company was acquired by Huws Gray Limited, immediately following this the trade and assets were hived up into Huws Gray Limited. Following acquisition, it became apparent that accounting records had not been properly maintained to the standard expected of the acquirers, and a number of documents supporting pre-acquisition trade could not be located. This meant that the auditors were unable to obtain the sufficient audit evidence required, and have therefore issued a disclaimer audit opinion.

**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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departure disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

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

James Wilby (Builders Merchants) Limited

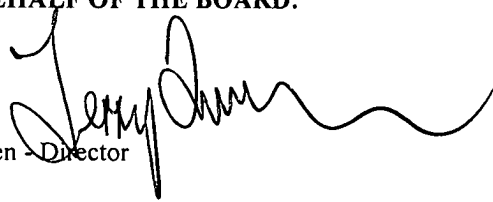
Report of the Directors  
for the Year Ended 31 December 2017

**INDEPENDENT AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
J.T Owen - Director

Date: 2 July 2018

Independent Auditors Report to the Members of  
James Wilby (Builders Merchants) Limited

**Report on the audit of the financial statements**

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**Disclaimer of opinion**

Because of the significance of the matter described in the Basis for disclaimer of opinion paragraph below, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on James Wilby (Builders Merchants) Limited's financial statements.

We were engaged to audit the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Income statement and Statement of Changes in Equity for the year then ended;; and the notes to the financial statements, which include a description of the significant accounting policies.

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**Basis for disclaimer of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law.

Owing to the lack of legacy finance team members and financial information following acquisition of the company by Huws Gray Limited, the directors were unable to provide us with accounting records in support of multiple account balances, classes of transactions and disclosures. Furthermore, our planned approach for addressing the significant risk of fraud from management override of controls included selecting journal entries and agreeing them to supporting information. The directors were unable to provide us with a listing of journals posted during the year. As such, we were unable to obtain sufficient audit evidence to form an opinion on the financial statements

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Report of the Directors*

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our responsibility is to conduct an audit of the financial statements in accordance with ISAs (UK) and to issue an auditors' report. However, because of the matters described in the Basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Arising from the limitation of our work referred to in the Basis for disclaimer of opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the company.

Under the Companies Act 2006 we are also required to report to you if, in our opinion:

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Studholme (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
2 July 2018

James Wilby (Builders Merchants) Limited

Income Statement  
for the Year Ended 31 December 2017

	Note	31.12.17 £	31.12.16 £
<b>TURNOVER</b>		2,181,856	9,191,033
Cost of sales		<u>(1,300,632)</u>	<u>(5,917,310)</u>
<b>GROSS PROFIT</b>		881,224	3,273,723
Administrative expenses		<u>(4,481,185)</u>	<u>(2,093,478)</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	(3,599,961)	1,180,245
Interest payable and similar expenses		<u>(1,472)</u>	<u>(5,529)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(3,601,433)	1,174,716
Tax on (loss)/profit		<u>(73,433)</u>	<u>(248,776)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>(3,674,866)</u></u>	<u><u>925,940</u></u>

The notes form part of these financial statements

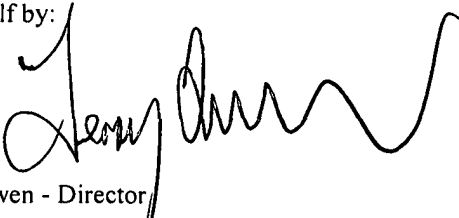


**Balance Sheet**  
**As at 31 December 2017**

	Note	31.12.17 £	31.12.16 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	2,233,457
Investments	6	-	<u>1,300</u>
		-	2,234,757
<b>CURRENT ASSETS</b>			
Stocks		-	1,350,492
Debtors	7	17,000	1,249,414
Cash at bank		<u>-</u>	<u>1,126,173</u>
		17,000	3,726,079
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>-</u>	<u>(1,710,392)</u>
<b>NET CURRENT ASSETS</b>		<u>17,000</u>	<u>2,015,687</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		17,000	4,250,444
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	-	(151,342)
<b>PROVISIONS FOR LIABILITIES</b>		<u>-</u>	<u>(77,568)</u>
<b>NET ASSETS</b>		<u>17,000</u>	<u>4,021,534</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		7,500	7,500
Share premium		9,500	9,500
Revaluation reserve	10	-	329,668
Retained earnings		<u>-</u>	<u>3,674,866</u>
		<u>17,000</u>	<u>4,021,534</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements on pages 6 to 12 were approved by the Board of Directors on 2 July 2018 and were signed on its behalf by:

  
T Owen - Director

James Wilby (Builders Merchants) Limited

Statement of Changes in Equity  
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
<b>Balance at 1 January 2016</b>	7,500	3,063,926	9,500	-	3,080,926
<b>Changes in equity</b>					
Dividends	-	(315,000)	-	-	(315,000)
Revaluation of tangible assets	-	-	-	329,668	329,668
Total comprehensive income	-	925,940	-	-	925,940
<b>Balance at 31 December 2016</b>	<u>7,500</u>	<u>3,674,866</u>	<u>9,500</u>	<u>329,668</u>	<u>4,021,534</u>
<b>Changes in equity</b>					
Reversal of revaluation	-	-	-	(329,668)	(329,668)
Total comprehensive expense	-	(3,674,866)	-	-	(3,674,866)
<b>Balance at 31 December 2017</b>	<u>7,500</u>	<u>-</u>	<u>9,500</u>	<u>-</u>	<u>17,000</u>

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

James Wilby (Builders Merchants) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

On 12 April 2017, James Wilby (Builders Merchants) Limited was acquired by Huws Gray Limited. Following the acquisition, it became apparent that accounting records had not been properly maintained to a standard expected of the acquirers, and a number of documents supporting pre-acquisition trade could not be located.

This meant that the auditors were unable to obtain the sufficient audit evidence required, and have therefore issued a disclaimer audit opinion.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

When an asset is purchased it is categorised into an asset class, the depreciation policy of each class estimates the economic life of all assets within the class.

The depreciation policy of each asset class is determined by management and reviewed regularly for appropriateness. The depreciation policy adopted is based on historical experience as well as considering the future events which may impact the useful economic life of all assets within each class, such as changes in market demands.

In addition FRS 102 requires an entity to assess at each reporting date whether there is any indication that assets within a class may be impaired i.e. the recoverable amount of the asset is less than the carrying amount. If any such indication exists, management are required to estimate the recoverable amount of the individual assets concerned.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

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

- |                     |   |
|---------------------|---|
| Land and buildings  | - Over twenty five and fifty years on a straight line basis |
| Plant and machinery | - 25% on reducing balance                                   |

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

2. **ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**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. Finance 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.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average monthly number of employees during the year was 11 (2016 - 42).

4. **OPERATING (LOSS)/PROFIT**

The operating loss (2016 - operating profit) is stated after charging:

	31.12.17	31.12.16
	£	£
Depreciation - owned assets	<u>40,438</u>	<u>147,207</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

## 5. TANGIBLE SSETS

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 January 2017	1,979,520	1,214,267	3,193,787
Additions	-	52,790	52,790
Disposals	<u>(1,979,520)</u>	<u>(1,267,057)</u>	<u>(3,246,577)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEPRECIATION</b>			
At 1 January 2017	229,520	730,810	960,330
Charge for year	-	40,438	40,438
Eliminated on disposal	<u>(229,520)</u>	<u>(771,248)</u>	<u>(1,000,768)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>1,750,000</u>	<u>483,457</u>	<u>2,233,457</u>

## 6. INVESTMENTS

	Other investments £
<b>COST</b>	
At 1 January 2017	1,300
Impairments	<u>(1,300)</u>
At 31 December 2017	<u>-</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>1,300</u>

## 7. DEBTORS

	31.12.17 £	31.12.16 £
Trade debtors	-	1,121,730
Amounts owed by group undertakings	17,000	-
Other debtors	<u>-</u>	<u>127,684</u>
	<u>17,000</u>	<u>1,249,414</u>

James Wilby (Builders Merchants) Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2017

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.17	31.12.16
	£	£
Trade creditors	-	1,130,308
Taxation and social security	-	374,059
Other creditors	-	206,025
	<u>-</u>	<u>1,710,392</u>

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

	31.12.17	31.12.16
	£	£
Obligations under finance leases	<u>-</u>	<u>151,342</u>

**10. REVALUATION RESERVE**

	Revaluation reserve £
At 1 January 2017	329,668
Reversal of revaluation	<u>(329,668)</u>
At 31 December 2017	<u>-</u>

**11. ULTIMATE CONTROLLING PARTY**

The company is a wholly owned subsidiary of Huws Gray Limited, and is ultimately under the control of the directors of that company.