

W J Hafod Elfyn Limited

Report and Financial Statements

Year Ended

30 September 2015

Company Number 06904831



W J Hafod Elfyn Limited

Report and financial statements for the year ended 30 September 2015

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

M Watkin Jones
G Watkin Jones

Secretary and registered office

J N T Browne, c/o Planehouse Limited, Llandygai Industrial Estate, Bangor, Gwynedd, LL57 4YH

Company number

06904831

Auditors

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Solicitors

Shoosmiths LLP, 7th Floor, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

W J Hafod Elfyn Limited

Report of the directors for the year ended 30 September 2015

The directors present their report together with the audited financial statements for the year ended 30 September 2015.

Principal activities and review of the business

The principal activity of the company is property investment.

The directors are satisfied with the result for the year. The profit for the year, before taxation, amounted to £54,988 (2014: £54,889).

The company has arranged a qualifying third party indemnity for all of its directors.

Results and dividends

The profit for the year, after taxation, amounted to £38,535 (2014: £51,021). The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

M Watkin Jones
G Watkin Jones

Financial risk management objectives and policies

The company uses various financial instruments which include intra-group loans, cash and various items such as debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below.

The main risk arising from the company's financial instruments is liquidity risk. The directors review and agree the policy for managing this risk which is summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company policy throughout the year has been to obtain intra-group funding for investment properties. The main risk facing the company is that intra-group funding will not be available; however, this is not expected to happen.

W J Hafod Elfyn Limited

Report of the directors for the year ended 30 September 2015 *(continued)*

Directors' responsibilities

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



M Watkin Jones
Director

18 December 2015

W J Hafod Elfyn Limited

Independent auditor's report

To the members of W J Hafod Elfyn Limited

We have audited the financial statements of W J Hafod Elfyn Limited for the year ended 30 September 2015 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 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 September 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 matters prescribed by the Companies Act 2006

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

W J Hafod Elfyn Limited

Independent auditor's report (*continued*)

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.



Julien Rye (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom

18 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

W J Hafod Elfyn Limited

Profit and loss account for the year ended 30 September 2015

	Note	2015 £	2014 £
Turnover	2	55,000	54,903
Administrative expenses		12	14
		<hr/>	<hr/>
Operating profit and profit on ordinary activities before taxation	3	54,988	54,889
Taxation on profit on ordinary activities	4	16,453	3,868
		<hr/>	<hr/>
Profit on ordinary activities after taxation		38,535	51,021
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

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

W J Hafod Elfyn Limited

Balance sheet at 30 September 2015

<i>Company number 06904831</i>	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	5		550,166		550,166
Current assets					
Cash at bank and in hand		1		1	
		<u>1</u>		<u>1</u>	
Creditors: amounts falling due within one year	6	11,019		9,939	
		<u>11,019</u>		<u>9,939</u>	
Net current liabilities			(11,018)		(9,938)
Total assets less current liabilities			<u>539,148</u>		<u>540,228</u>
Creditors: amounts falling due after more than one year	7	430,246		478,808	
Provisions for liabilities	8	8,947		-	
		<u>8,947</u>		<u>-</u>	
			<u>439,193</u>		<u>478,808</u>
			<u>99,955</u>		<u>61,420</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		99,954		61,419
			<u>99,955</u>		<u>61,420</u>
Shareholders' funds	11		<u>99,955</u>		<u>61,420</u>

The financial statements were approved by the board of directors and authorised for issue on 18 December 2015.


 M Watkin Jones
 Director

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

W J Hafod Elfyn Limited

Notes forming part of the financial statements for the year ended 30 September 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards.

The following principal accounting policies have been applied:

Going concern

The company's business activities together with the factors likely to affect its future development and performance are set out in the report of the directors. The company meets its funding requirements through intra-group borrowings as set out in the notes to the financial statements.

The current economic conditions create uncertainty particularly over the level of demand for the company's property portfolio.

After making enquiries, the directors have a reasonable expectation that the company has adequate access to financial resources from the parent company to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Planehouse Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents rent receivable on investment properties during the year, exclusive of value added tax. Rental income is recognised for the period in which it falls due.

Investment properties

In accordance with SSAP 19 'Accounting for investment properties', investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

The open market value is derived by the directors following a detailed review of the property portfolio. The directors are assisted in this assessment by the use of external valuations prepared for bank borrowing purposes and sales of similar properties. The directors will also consider occupancy levels, length of leases, quality of tenant, proposed refurbishments and any other significant factors in forming an appropriate open market value.

W J Hafod Elfyn Limited

Notes forming part of the financial statements for the year ended 30 September 2015 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not subject to discounting.

Leased assets: Lessor incentives

Incentive payments to new tenants to occupy the company's investment properties are treated as revenue expenditure and initially recorded as prepayments. The payments are charged to the profit and loss account over the period until the earlier of the end of the lease and the date the rentals are expected to revert to the prevailing market rate. Where such prepayments relate to investment properties, the properties are carried at an open market value less the amount of the unamortised incentive.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

W J Hafod Elfyn Limited

Notes forming part of the financial statements for the year ended 30 September 2015 (continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

Fees payable to the company's auditor for the auditing of the company's annual accounts have been met by the immediate parent undertaking, Planehouse Limited. In the directors' opinion, a reasonable allocation of the audit fee to this company would be £1,000 (2014: £1,000).

4 Taxation on profit on ordinary activities

	2015 £	2014 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	7,506	6,424
Adjustment in respect of previous periods	-	(2,556)
	<hr/>	<hr/>
Total current tax	7,506	3,868
<i>Deferred tax</i>		
Originating and timing differences	8,947	-
	<hr/>	<hr/>
Taxation charge on profit on ordinary activities	16,453	3,868
	<hr/>	<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2014 £	2014 £
Profit on ordinary activities before tax	54,988	54,889
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.5% (2014: 22%)	11,273	12,076
Effect of:		
Transfer pricing adjustment	(1,226)	(1,450)
Capital allowances in excess of depreciation	(2,642)	(3,256)
Adjustment to tax charge in respect of previous periods	-	(2,556)
Utilisation of tax losses brought forward	-	(945)
Other	101	(1)
	<hr/>	<hr/>
Current tax charge for the year	7,506	3,868
	<hr/>	<hr/>

W J Hafod Elfyn Limited

Notes forming part of the financial statements
for the year ended 30 September 2015 (*continued*)

5 Tangible fixed assets

	Investment Properties £
<i>Cost or valuation</i>	
At 1 October 2014 and 30 September 2015	550,166

The 2015 valuations were made by the directors on an open market value for existing use basis.

6 Creditors: amounts falling due within one year

	2015 £	2014 £
Corporation tax	7,506	6,424
Accruals and deferred income	3,513	3,515
	<u>11,019</u>	<u>9,939</u>

7 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	430,233	478,808
Amounts owed to related undertakings	13	-
	<u>430,246</u>	<u>478,808</u>

W J Hafod Elfyn Limited

Notes forming part of the financial statements
for the year ended 30 September 2015 (*continued*)

8 Provisions for liabilities

	Deferred taxation £
At 1 October 2014	-
Charge for the year	8,947
	<hr/>
At 30 September 2015	8,947
	<hr/>
<i>Deferred taxation</i>	

	2015 £	2014 £
Accelerated capital allowances	8,947	-
	<hr/>	<hr/>

9 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1
	<hr/>	<hr/>

10 Reserves

	Profit and loss account £
At 1 October 2014	61,419
Profit for the year	38,535
	<hr/>
At 30 September 2015	99,954
	<hr/>

W J Hafod Elfyn Limited

Notes forming part of the financial statements for the year ended 30 September 2015 (*continued*)

11 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the year	38,535	51,021
Opening shareholders' funds	61,420	10,399
Closing shareholders' funds	99,955	61,420

12 Related party disclosures

The company is exempt from disclosing transactions with other wholly owned members of the group headed by Planehouse Limited on the grounds that it is a wholly owned subsidiary of the group in accordance with Financial Reporting Standard No. 8 'Related Party Disclosures'.

At 30 September 2015, amounts owed to related undertakings include an amount owed to Carlton (North Wales) Limited, a company related by common control, of £13 (2014: £Nil) in respect of sundry costs.

13 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Planehouse Limited which is the ultimate parent company and a company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Planehouse Limited. The consolidated accounts of Planehouse Limited are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.