

**Company registration number: 03244188**

**Afan Construction Services Limited**

**Financial statements**

**30 November 2018**

# **Afan Construction Services Limited**

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## **Afan Construction Services Limited**

### **Directors and other information**

<b>Directors</b>	Mr D W Evans Mrs P M Evans
<b>Secretary</b>	Mrs P M Evans
<b>Company number</b>	03244188
<b>Registered office</b>	Unit 2 Cae Gwyn Glanyrafon Industrial Estate Aberystwyth Ceredigion SY23 3JF
<b>Business address</b>	Unit 2 Cae Gwyn Glanyrafon Industrial Estate Aberystwyth Ceredigion SY23 3JF
<b>Auditor</b>	Davies Lewis Baker 31 Bridge Street Aberystwyth Ceredigion SY23 1QB
<b>Accountants</b>	Davies Lewis Baker 31 Bridge Street Aberystwyth Ceredigion SY23 1QB

**Bankers**

Lloyds Bank plc  
1 Pride Hill  
Shrewsbury  
SY1 1DG

**Solicitors**

Alun Thomas & John  
Eastgate  
Aberystwyth

## **Afan Construction Services Limited**

### **Directors report**

#### **Year ended 30 November 2018**

The directors present their report and the financial statements of the company for the year ended 30 November 2018.

#### **Directors**

The directors who served the company during the year were as follows:

Mr D W Evans

Mrs P M Evans

#### **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 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; 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. 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.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### **Small company provisions**

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

companies exemption.

This report was approved by the board of directors on 13 August 2019 and signed on behalf of the board by:

Mrs P M Evans

Director

## **Afan Construction Services Limited**

### **Independent auditor's report to the members of**

## **Afan Construction Services Limited**

**Year ended 30 November 2018**

### **Opinion**

We have audited the financial statements of Afan Construction Services Limited for the year ended 30 November 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 auditors 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. In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 30 November 2018 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 12 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- 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.

### **Other Information**



The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

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, and for such internal control as the directors 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.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Mark Baker FCCA (Senior Statutory Auditor)

For and on behalf of

Davies Lewis Baker

Chartered Certified Accountants and Statutory Auditor

31 Bridge Street

Aberystwyth

Ceredigion

SY23 1QB

13 August 2019

**Afan Construction Services Limited****Statement of comprehensive income****Year ended 30 November 2018**

	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>Turnover</b>		173,670	168,977
Depreciation and other amounts written off tangible and intangible fixed assets		( 23,808)	( 23,755)
Other operating expenses		( 56,149)	( 59,583)
<b>Operating profit</b>		<u>93,713</u>	<u>85,639</u>
Interest payable and similar expenses		( 25,015)	( 28,026)
<b>Profit before taxation</b>		<u>68,698</u>	<u>57,613</u>
Tax on profit		( 16,244)	( 14,223)
<b>Profit for the financial year and total comprehensive income</b>		<u>52,454</u>	<u>43,390</u>

All the activities of the company are from continuing operations.

# Afan Construction Services Limited

## Statement of financial position

30 November 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	5	1,577,494	1,600,247
		<u>1,577,494</u>	<u>1,600,247</u>
<b>Current assets</b>			
Debtors	6	967,168	961,889
Cash at bank and in hand		24,373	13,374
		<u>991,541</u>	<u>975,263</u>
<b>Creditors: amounts falling due within one year</b>	7	( 1,102,658)	( 1,024,596)
<b>Net current liabilities</b>		<u>( 111,117)</u>	<u>( 49,333)</u>
<b>Total assets less current liabilities</b>		<u>1,466,377</u>	<u>1,550,914</u>
<b>Creditors: amounts falling due after more than one year</b>	8	( 540,547)	( 618,116)
<b>Net assets</b>		<u>925,830</u>	<u>932,798</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	2
Profit and loss account		924,830	932,796
<b>Shareholders funds</b>		<u>925,830</u>	<u>932,798</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 13 August 2019 , and are signed on behalf of the board by:

Mr D W Evans Mrs P M Evans

Director Director

Company registration number: 03244188

**Afan Construction Services Limited**

**Statement of changes in equity**

**Year ended 30 November 2018**

	Called up share capital	Profit and loss account	Total
	£	£	£
<b>At 1 December 2016</b>	2	913,406	913,408
Profit for the year		43,390	43,390
<b>Total comprehensive income for the year</b>	-	43,390	43,390
Dividends paid and payable		( 24,000)	( 24,000)
<b>Total investments by and distributions to owners</b>	-	( 24,000)	( 24,000)
<b>At 30 November 2017 and 1 December 2017</b>	2	932,796	932,798
Profit for the year		52,454	52,454
<b>Total comprehensive income for the year</b>	-	52,454	52,454
Issue of shares	998		998
Dividends paid and payable		( 60,420)	( 60,420)
<b>Total investments by and distributions to owners</b>	998	( 60,420)	( 59,422)
<b>At 30 November 2018</b>	1,000	924,830	925,830

# **Afan Construction Services Limited**

## **Notes to the financial statements**

**Year ended 30 November 2018**

### **1. General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Unit 2 Cae Gwyn, Glanyrafon Industrial Estate, Aberystwyth, Ceredigion, SY23 3JF.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.



## **Tangible assets**

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2 %Straight line
Long leasehold property	- Straight line over the life of the lease
Plant and machinery	- 25 % Reducing balance
Fittings fixtures and equipment	- 20 % Straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## **Investment property**

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss. If a reliable measure of fair value is not available without undue cost or effort it shall be transferred to tangible assets and accounted for under the cost model until it is expected that fair value will be reliably measurable on an on-going basis.

## **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

## 4. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible assets	23,808	23,755
Fees payable for the audit of the financial statements	850	800
	<hr/>	<hr/>

## 5. Tangible assets

	Freehold property £	Long leasehold property £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 December 2017	1,316,989	544,691	-	1,861,680
Additions	-	-	1,054	1,054
<b>At 30 November 2018</b>	<b>1,316,989</b>	<b>544,691</b>	<b>1,054</b>	<b>1,862,734</b>
<b>Depreciation</b>				
At 1 December 2017	153,997	107,435	-	261,432
Charge for the year	14,000	9,755	53	23,808
<b>At 30 November 2018</b>	<b>167,997</b>	<b>117,190</b>	<b>53</b>	<b>285,240</b>
<b>Carrying amount</b>				
<b>At 30 November 2018</b>	<b>1,148,992</b>	<b>427,501</b>	<b>1,001</b>	<b>1,577,494</b>
At 30 November 2017	1,162,992	437,256	-	1,600,248

## Investment property

The investments properties are included in freehold property. They were acquired and refurbished in 2010 at a total cost of £607,000 and the directors consider that this remains indicative of their fair value.

## 6. Debtors

	2018 £	2017 £
Trade debtors	949,762	949,562
Other debtors	17,406	12,327
	<b>967,168</b>	<b>961,889</b>

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

	2018	2017
	£	£
Bank loans and overdrafts	77,569	74,690
Trade creditors	838,657	763,209
Corporation tax	16,244	14,223
Social security and other taxes	1,839	3,998
Other creditors	168,349	168,476
	<u>1,102,658</u>	<u>1,024,596</u>

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

	2018	2017
	£	£
Bank loans and overdrafts	540,547	618,116

The bank loan is secured by a 1st Legal Charge over the company's freehold and leasehold properties and an unlimited debenture incorporating a fixed and floating charge.

Included within creditors: amounts falling due after more than one year is an amount of £ 328,509 (2017 £ 335,881 ) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is repayable monthly at an interest rate of 3.81%

## 9. Called up share capital

### Issued, called up and fully paid

	2018		2017	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	1,000	1,000	2	2

During the year the company allotted 998 Ordinary shares of £1 each to increase the capital base of the company.

## 10. Directors advances, credits and guarantees

The directors received dividends in the year totalling £48,000 (2017: £24,000)

## 11. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2018	2017	2018	2017
	£	£	£	£
Afan Construction Limited	-	-	13,360	75,688
Sale of plant and equipment	-	2,636	-	-
Hire of plant and equipment	-	7,693	-	-
Rent receivable	4,000	4,000	-	-
Management charges paid	( 16,000)	( 16,000)	-	-
Abba Loos Limited	-	-	97,745	110,665
Repairs and maintenance charges paid	-	( 3,750)	-	-
Rent paid	( 1,920)	-	-	-

Afan Construction Limited and Abba Loos Limited are wholly owned by the directors of Afan Construction Services Limited . In December 2015 Afan Construction Services Limited refinanced its borrowings including the balance of a loan for £232,149 originally drawn on behalf of Abba Loos Limited. This loan is not included in the balance sheet of Afan Construction Services Limited but is disclosed as a liability in the financial statements of Abba Loos Limited because this company pays the apportioned loan repayments and owns the original assets purchased. The net balance outstanding on the loan attributable to Abba Loos Limited at 30 November 2018 was £ 173,338 (2017: £ 194,282 ).

## 12. Ethical standards

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

## 13. Controlling party

The directors have a controlling interest in the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.