

**Company registration number: 02263403**

**Afan Construction Limited**

**Unaudited filleted financial statements**

**31 August 2021**

# **Afan Construction Limited**

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## **Afan Construction Limited**

### **Directors and other information**

<b>Directors</b>	Mrs P M Evans Mr D W Evans
<b>Secretary</b>	Mrs P M Evans
<b>Company number</b>	02263403
<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>Accountants</b>	Davies Lewis Baker 31 Bridge Street Aberystwyth Ceredigion SY23 1QB

**Bankers**

Lloyds Bank Plc

**Solicitors**

Alun Thomas & John  
Eastgate  
Aberystwyth

## **Afan Construction Limited**

### **Report to the board of directors on the preparation of the unaudited statutory financial statements of Afan Construction Limited Year ended 31 August 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Afan Construction Limited for the year ended 31 August 2021 which comprise the statement of financial position, statement of changes in equity and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants , we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/gb/en/about-us/regulation/rulebook.html>.

This report is made solely to the board of directors of Afan Construction Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of Afan Construction Limited and state those matters that we have agreed to state to the board of directors of Afan Construction Limited as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at [http://www.accaglobal.com/content/dam/ACCA\\_Global/Technical/fact/technical-factsheet-163.pdf](http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Afan Construction Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Afan Construction Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Afan Construction Limited. You consider that Afan Construction Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Afan Construction Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Davies Lewis Baker

Chartered Certified Accountants

31 Bridge Street

Aberystwyth

Ceredigion

SY23 1QB

31 August 2022

**Afan Construction Limited**

**Statement of financial position**

**31 August 2021**

	Note	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	5	698,361		733,111	
		<u>698,361</u>	698,361	<u>733,111</u>	733,111
<b>Current assets</b>					
Stocks		275,000		213,250	
Debtors	6	279,577		596,573	
Cash at bank and in hand		55,039		39,298	
		<u>609,616</u>		<u>849,121</u>	
<b>Creditors: amounts falling due within one year</b>	7	( 252,729)		( 537,969)	
<b>Net current assets</b>			356,887		311,152
<b>Total assets less current liabilities</b>			<u>1,055,248</u>		<u>1,044,263</u>
<b>Creditors: amounts falling due after more than one year</b>	8	( 72,661)		( 110,152)	
<b>Provisions for liabilities</b>	9	( 42,398)		( 46,765)	
<b>Net assets</b>			<u>940,189</u>		<u>887,346</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Profit and loss account			940,089		887,246
<b>Shareholders funds</b>			<u>940,189</u>		<u>887,346</u>

For the year ending 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 31 August 2022 , and are signed on behalf of the board by:

Mrs P M Evans Mr D W Evans

Director Director

Company registration number: 02263403

**Afan Construction Limited****Statement of changes in equity****Year ended 31 August 2021**

	Called up share capital	Profit and loss account	Total
	£	£	£
<b>At 1 September 2019</b>	100	968,055	968,155
Profit/(loss) for the year		( 80,809)	( 80,809)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>( 80,809)</u>	<u>( 80,809)</u>
<b>At 31 August 2020 and 1 September 2020</b>	100	887,246	887,346
Profit/(loss) for the year		52,843	52,843
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>52,843</u>	<u>52,843</u>
<b>At 31 August 2021</b>	<u>100</u>	<u>940,089</u>	<u>940,189</u>



# **Afan Construction Limited**

## **Notes to the financial statements**

**Year ended 31 August 2021**

### **1. General information**

The company is a private company limited by shares, registered in England and 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:

Long leasehold property	-	1 % straight line
Short leasehold property	-	4 % straight line
Plant and machinery	-	25 % reducing balance
Fittings fixtures and equipment	-	20 % straight line
Motor vehicles	-	25 % reducing balance

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. No depreciation is provided on freehold land and properties because the directors consider that the residual values will be higher than the original purchase cost.

## **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.

## **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.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

## **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

## **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.

## **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 16 (2020: 17 ).

#### 5. Tangible assets

	Freehold property	Long leasehold property	Short leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 September 2020	408,885	43,082	115,868	813,672	25,806	83,877	1,491,190
Additions	-	-	-	38,420	-	10,000	48,420
Disposals	-	-	-	( 2,003)	-	-	( 2,003)
<b>At 31 August 2021</b>	<b>408,885</b>	<b>43,082</b>	<b>115,868</b>	<b>850,089</b>	<b>25,806</b>	<b>93,877</b>	<b>1,537,607</b>
<b>Depreciation</b>							
At 1 September 2020	-	7,787	91,859	566,203	25,806	66,424	758,079
Charge for the year	-	446	4,574	71,086	-	6,863	82,969
Disposals	-	-	-	( 1,802)	-	-	( 1,802)
<b>At 31 August 2021</b>	<b>-</b>	<b>8,233</b>	<b>96,433</b>	<b>635,487</b>	<b>25,806</b>	<b>73,287</b>	<b>839,246</b>
<b>Carrying amount</b>							
<b>At 31 August 2021</b>	<b>408,885</b>	<b>34,849</b>	<b>19,435</b>	<b>214,602</b>	<b>-</b>	<b>20,590</b>	<b>698,361</b>
At 31 August 2020	408,885	35,295	24,009	247,469	-	17,453	733,111

#### Investment property

The company owns a freehold investment property which is included at its original cost of £240,688 which, in the opinion of the directors, equates to its approximate fair value. The company also owns a short leasehold investment property with a net book value of £24,009. The property is being amortised on a straight line basis over the remaining 5 years of the lease.

## 6. Debtors

	2021	2020
	£	£
Trade debtors	179,865	481,615
Other debtors	99,712	114,958
	<u>279,577</u>	<u>596,573</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	10,253	8,242
Trade creditors	54,726	405,323
Corporation tax	20,944	-
Social security and other taxes	26,486	10,387
Other creditors	140,320	114,017
	<u>252,729</u>	<u>537,969</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	43,364	53,622
Other creditors	29,297	56,530
	<u>72,661</u>	<u>110,152</u>

The bank overdraft and loan is secured by a 1st Legal Charge over the company's freehold property 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 £ - (2020 £ 4,065 ) 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 4.041 per cent.

## 9. Provisions

	Deferred tax (note 10) £	Total £
At 1 September 2020	46,765	46,765
Unused amounts reversed	( 4,367)	( 4,367)
<b>At 31 August 2021</b>	<b>42,398</b>	<b>42,398</b>

## 10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 9)	42,398	46,765

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	42,398	47,831
Unused tax losses	-	( 1,066)
	<b>42,398</b>	<b>46,765</b>

## 11. Called up share capital

### Issued, called up and fully paid

	2021 No	£	2020 No	£
Ordinary shares shares of £ 1.00 each	100	100	100	100

## 12. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
Afan Construction Services Limited	-	-	( 71,410)	( 9,273)
Management charges	16,000	16,000	-	-
Rent payable	( 4,000)	( 4,000)	-	-
Abba Loos Limited	-	-	91,457	39,265
Rent payable	( 24,000)	( 24,000)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Afan Construction Services Limited is wholly owned by the directors of Afan Construction Limited together with close family members. Abba Loos Limited is wholly owned by the directors of Afan Construction Limited .

## 13. Controlling party

The directors Mr DW Evans and Mrs PM Evans 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.