

Enfys Developments Ltd
Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2017



Haines Watts Wales LLP, Statutory Auditors
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CF24 5PJ

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for the Year Ended 31 December 2017**

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Enfys Developments Ltd
Company Information
for the Year Ended 31 December 2017

Directors:

Mr S L Epps
Mr S A Hembrow
Mrs A K Hinchey
Mr S T J Porter

Registered office:

Archway House
77 Parc Tŷ Glas
Llanishen
Cardiff
CF14 5DU

Registered number:

08292315 (England and Wales)

Auditors:

Haines Watts Wales LLP; Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Bankers:

Natwest
96 Queen Street
Cardiff
CF10 2GR

Enfys Developments Ltd
Strategic Report
for the Year Ended 31 December 2017

The directors present the strategic report of Enfys Developments Limited ("Enfys" or the "company") for the year ended 31 December 2017.

Review of business

Enfys manages the development of new affordable housing stock for the group of companies controlled by Wales & West Housing Association Limited (collectively the "group"). The company also manages a small volume of commercial housing developments for sale by Castell Ventures Ltd, a fellow member of the group.

Enfys seeks to do the right thing to deliver what matters for the residents of the future, building high quality developments that are energy-efficient, well designed, located based upon need, and delivered cost effectively. All significant decisions made by the company are subject to direct oversight and governance by the group Board of directors, which meets regularly through the year.

Enfys has its own board of directors, which meets four times annually. All significant decisions made by the company are subject to direct oversight and governance by the group Board of Directors, which meets regularly throughout the year.

Principal risks and uncertainties

Development work is all carried out on behalf of fellow group undertakings on a cost-plus basis and no members of staff are directly employed, therefore the level of associated risk and uncertainty is limited.

The risk of poor governance is mitigated by direct oversight from the group Board of Directors, which is diverse and draws upon a wide range of skills, backgrounds and specialisms.

The company is within the scope of the group risk assessment and risk management procedures which are set out more fully in the annual report and financial statements of the parent undertaking.

Performance during the year

During the year, Enfys handed over a total of 95 new properties (2016: 187). A total of 101 are forecast to be handed over during 2018.

The results for the year show a reduced turnover of £10.4 million (2016: £18.6 million) due to the lower volume of development work undertaken during the year. Operating profit reduced in line with this to £103,173 (2016: £184,382), although the operating profit margin remained consistent at 0.99% (2016: 0.99%). As in previous years, the profit will be gifted to the parent undertaking.

At 31 December 2017, Enfys had gross assets of £1.8 million (2016: £1.8 million). There were 125 homes (2016: 120) under construction on site at 31 December 2017.

Future developments

Enfys will continue with its current principal activities for the foreseeable future. It is anticipated that the volume of development activity will increase during 2018.

On behalf of the board:



.....
Mrs A K Hinchey - Director

Date: 13-3-18

Enfys Developments Ltd

**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.

Principal activity

The principal activity of the company in the year was that of construction management services.

Dividends

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

Directors

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr S L Epps
Mr S A Hembrow
Mrs A K Hinchey
Mr S T J Porter

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

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

On behalf of the board:



.....
Mrs A K Hinchey - Director

Date: 13-3-18

Report of the Independent Auditors to the Members of Enfys Developments Ltd

Opinion

We have audited the financial statements of Enfys Developments Ltd (the 'company') for the year ended 31 December 2017 on pages six to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 Auditors' 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Enfys Developments Ltd**

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 Strategic Report or the Report of the Directors.

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.

Responsibilities of directors


As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Our 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Tania Cregg (FCCA) (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 21-3-18

Enfys Developments Ltd

**Statement of Comprehensive Income
for the Year Ended 31 December 2017**


	Notes	2017 £	2016 £
Turnover		10,420,535	18,622,553
Cost of sales		<u>(10,276,369)</u>	<u>(18,398,851)</u>
Gross profit		144,166	223,702
Administrative expenses		<u>(40,993)</u>	<u>(39,320)</u>
Operating profit		<u>103,173</u>	<u>184,382</u>
Profit before taxation	4	103,173	184,382
Taxation	5	<u>(103,173)</u>	<u>(184,382)</u>
Profit for the financial year		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

Balance Sheet
31 December 2017

	Notes	2017 £	2016 £
Current assets			
Stock	6	176,963	49,062
Debtors	7	339,055	1,747,681
Cash at bank		<u>1,269,126</u>	<u>9,062</u>
		1,785,144	1,805,805
Creditors			
Amounts falling due within one year	8	<u>(1,785,143)</u>	<u>(1,805,804)</u>
Net current assets		<u>1</u>	<u>1</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	9	<u>1</u>	<u>1</u>
Shareholders' funds		<u>1</u>	<u>1</u>

The financial statements were approved by the Board of Directors on 13-3-18 and were signed on its behalf by:


.....
Mrs A K Hinchey - Director

Enfys Developments Ltd

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	1	-	1
Changes in equity			
Balance at 31 December 2016	1	-	1
Changes in equity			
Balance at 31 December 2017	1	-	1

The notes form part of these financial statements

Enfys Developments Ltd
Cash Flow Statement
for the Year Ended 31 December 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	14	1,444,446	124,884
Gift Aid paid		<u>(184,382)</u>	<u>(152,199)</u>
Net cash from operating activities		<u>1,260,064</u>	<u>(27,315)</u>
Increase/(decrease) in cash and cash equivalents		1,260,064	(27,315)
Cash and cash equivalents at beginning of year	15	9,062	36,377
Cash and cash equivalents at end of year	15	<u>1,269,126</u>	<u>9,062</u>

The notes form part of these financial statements

Enfys Developments Ltd

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

1. Statutory information

Enfys Developments Limited is a private company, limited by shares, incorporated and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover represents net invoiced amounts for the provision of construction management services.

Stock

Work in progress is valued at the lower of cost and net realisable value.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

After initial recognition financial assets and liabilities are measured at amortised cost.

Financial assets are derecognised when the contractual rights expire.

Financial liabilities are derecognised when the contractual obligation is extinguished.

3. Employees and directors

There were no staff costs for the year ended 31 December 2016, nor for the year ended 31 December 2015.

There are four Directors of the company.

	2017 £	2016 £
Directors' remuneration	<u>-</u>	<u>-</u>

4. Profit before taxation

The profit is stated after charging:

	2017 £	2016 £
Auditors' remuneration	<u>4,700</u>	<u>3,000</u>

Enfys Developments Ltd

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

5. Taxation

Analysis of the taxation charge

The taxation charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
Gift Aid payable	<u>103,173</u>	<u>184,382</u>
Total charge	<u><u>103,173</u></u>	<u><u>184,382</u></u>

Reconciliation of total taxation charge included in profit and loss

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

	2017	2016
	£	£
Profit before tax	<u>103,173</u>	<u>184,382</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	19,603	36,876
Effects of:		
Reduction to corporation tax charge due to Gift Aid	(19,603)	(36,876)
Gift Aid	<u>103,173</u>	<u>184,382</u>
Total charge	<u><u>103,173</u></u>	<u><u>184,382</u></u>

6. Stock

	2017	2016
	£	£
Work-in-progress	<u>176,963</u>	<u>49,062</u>

7. Debtors: amounts falling due within one year

	2017	2016
	£	£
Trade debtors	-	3,020
Amounts owed by group undertakings	263,776	1,706,514
VAT	75,279	38,146
Called up share capital not paid	<u>-</u>	<u>1</u>
	<u><u>339,055</u></u>	<u><u>1,747,681</u></u>

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group - Gift Aid	103,173	184,382
Social security and other taxes	-	3,776
Accrued expenses	<u>1,681,970</u>	<u>1,617,646</u>
	<u><u>1,785,143</u></u>	<u><u>1,805,804</u></u>

Enfys Developments Ltd

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

9. Called up share capital

Allotted and issued:		Nominal value:	2017 £	2016 £
Number:	Class:			
1	Ordinary shares	£1	<u>1</u>	<u>1</u>

10. Reserves

	Retained earnings £
At 1 January 2017	-
Profit for the year	<u>-</u>
At 31 December 2017	<u>-</u>

11. Other financial commitments

As at 31 December 2017, the company had contractual commitments with its suppliers totalling £9,617,000 (2016: £5,414,000.) These commitments will be funded by available funds and future payments under the design and build contracts the company has in place with Wales & West Housing Association Limited.

12. Related party disclosures

The company has taken advantage of the exemption in FRS102 "Related Party Disclosures" from disclosing transactions with other members of the group.

13. Parent company and controlling party

Wales & West Housing Association Limited is the immediate parent company and owns the entire called up share capital. Wales & West Housing Association is also the ultimate parent undertaking and controlling party and the parent of the largest and smallest groups in which these financial statements are consolidated. Copies of the consolidated financial statements of Wales & West Housing Association may be obtained from the registered office of the company.

14. Reconciliation of profit before taxation to cash generated from operations

	2017 £	2016 £
Profit before taxation	103,173	184,382
(Increase)/decrease in stock	(127,901)	47,720
Decrease/(increase) in trade and other debtors	1,408,626	(40,440)
Increase/(decrease) in trade and other creditors	<u>60,548</u>	<u>(66,778)</u>
Cash generated from operations	<u>1,444,446</u>	<u>124,884</u>

Enfys Developments Ltd

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

15. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	<u>1,269,126</u>	<u>9,062</u>

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	<u>9,062</u>	<u>36,377</u>