

REGISTERED NUMBER: 00048669 (England and Wales)

BARRY ISLAND COTTAGE COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS



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FOR THE YEAR ENDED 31 DECEMBER 2018**

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BARRY ISLAND COTTAGE COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

E L P Weatherill
G E C Rogers
P B Kelly
S P Thorpe

SECRETARY:

G E C Rogers

REGISTERED OFFICE:

2nd Floor Office Suite
Agincourt House
Agincourt Square
MONMOUTH
NP25 3BT

REGISTERED NUMBER:

00048669 (England and Wales)

AUDITORS:

Watts Gregory LLP
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**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

I have pleasure, on behalf of your Board of Directors, in presenting the financial statements of the Company for the year ended 31 December 2018 and upon which I make the following comments.

Results

The company achieved pre-tax profits of £142,313 compared with £181,497 the previous year. The shareholders' funds have increased by £31,335. The decline in profit is attributed to two main factors. Firstly, the renovation and restoration of 1 Church Street which is a very prominent and historic building in the main square of Monmouth. The property has been substantially upgraded but conservation issues have contributed to increased costs, extended contract period and delayed the re-letting. Secondly, there is an abnormally large provision for bad debts. These two issues have mainly contributed to the lower profits for the year and consequently the reduced dividend. The board is resolved to maintain its properties in full repair in order to protect its rental income.

Income

Rents have increased by £11,963 mainly due to the improvements undertaken to 1 Church Street which enabled the property to re-let at a full market rent.

Establishment costs

Property expenditure referred to above together with its ancillary costs are the main contributor to the increase in establishment costs.

Administration costs

These have effectively decreased. The previous year's figures included profit on disposal on fixed assets.

Dividends

The Board's policy is to pay dividends in line with reported profits, after adjustments have been made for certain repair costs and the exclusion of any profit/loss net of taxation, which is represented by the transfer to/from capital reserves as required under section 116 of the Articles. The Board is mindful of the anticipated repairs and improvement budgets required for the current year, together with the uncertainty of the retail market and reflecting the loss of profit already referred to. The Directors have resisted the option of increasing the dividend from cash reserves and therefore propose a final dividend of 12p per share (2017 - 32.5p) which, together with the interim dividend of 7.0p (2017 - 7.0p) makes a total of 19p (2017 - 39.5p).

Property performance

The total return of the portfolio is 4.6%, made up from a marginal increase in capital values and an income return of 3.0%. The void is 3.1%.

Paul Weatherill
Chairman

BARRY ISLAND COTTAGE COMPANY LIMITED (REGISTERED NUMBER: 00048669)**BALANCE SHEET
31 DECEMBER 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	12,250	10,350
Investments	5	6,512	6,512
Investment property	6	3,931,100	3,797,900
		<u>3,949,862</u>	<u>3,814,762</u>
CURRENT ASSETS			
Debtors	7	46,311	48,610
Cash at bank		340,095	450,102
		<u>386,406</u>	<u>498,712</u>
CREDITORS			
Amounts falling due within one year	8	(47,507)	(68,048)
NET CURRENT ASSETS		<u>338,899</u>	<u>430,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,288,761</u>	<u>4,245,426</u>
PROVISIONS FOR LIABILITIES	9	(111,000)	(99,000)
NET ASSETS		<u><u>4,177,761</u></u>	<u><u>4,146,426</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	215,700	215,700
Non-distributable reserve	11	1,544,764	1,497,419
Capital reserve	11	1,378,955	1,378,955
Retained earnings	11	1,038,342	1,054,352
SHAREHOLDERS' FUNDS		<u><u>4,177,761</u></u>	<u><u>4,146,426</u></u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved for issue by the Board of Directors on 9 April 2019 and were signed on its behalf by:



E L P Weatherill - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

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

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 as modified by the revaluation of certain assets.

There have been no material departures from Financial Reporting Standard 102 1A.

Preparation of consolidated financial statements

The financial statements contain information about Barry Island Cottage Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

The turnover shown in the profit and loss account represents gross rent receivable for the year.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Furniture, fixtures & fittings	20% / 33.33% per annum straight line
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Investments

Investments are recorded at cost less any provision required for diminution in value.

Investment property

Investment properties are carried at fair value determined annually by independent professional valuers. Revaluation surpluses and deficits are recognised in the profit and loss account. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold, or the deferred tax liability is settled, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantively enacted at 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 where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an un-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2017 - 5).

4. TANGIBLE FIXED ASSETS

	Furniture, fixtures & fittings £
COST	
At 1 January 2018	70,701
Additions (including improvements)	6,849
Disposals	(846)
At 31 December 2018	<u>76,704</u>
DEPRECIATION	
At 1 January 2018	60,351
Charge for year	4,949
Eliminated on disposal	(846)
At 31 December 2018	<u>64,454</u>
NET BOOK VALUE	
At 31 December 2018	<u>12,250</u>
At 31 December 2017	<u>10,350</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Participating interests £	Unlisted investments £	Totals £
COST				
At 1 January 2018 and 31 December 2018	100	4,808	1,604	6,512
NET BOOK VALUE				
At 31 December 2018	<u>100</u>	<u>4,808</u>	<u>1,604</u>	<u>6,512</u>
At 31 December 2017	<u>100</u>	<u>4,808</u>	<u>1,604</u>	<u>6,512</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

5. FIXED ASSET INVESTMENTS - continued

The investments consist wholly of equity share capital in unquoted companies incorporated in England and Wales as follows:

Company	Cost of shares £	Size of holding (%)	Year end of latest accounts	Capital & reserves £	Profit/ (loss) for year £
Group undertakings					
Barry Island Investments Limited *	100	100	31.12.18	100	-
Participating interests					
The Cardiff Exchange and Office Company Limited	4,808	23.34	30.06.18	1,251,466	(2,593)
Unlisted investments					
Glamorgan Investments Limited	1,604	3.41	30.06.18	5,455,754	372,838

*Non trading

Except for the group company, the above companies all undertook similar activities to Barry Island Cottage Company Limited.

6. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2018	3,797,900
Additions	73,855
Revaluations	59,345
At 31 December 2018	<u>3,931,100</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,931,100</u>
At 31 December 2017	<u>3,797,900</u>

Investment property held at 31 December 2018 is included at its independent professional valuation at that date. The valuations have been carried out by Horace John, Forse & Co. Chartered Surveyors on a market value basis in accordance with the RICS Valuation - Professional Standards (The Red Book) 2017 Edition. The historic cost equivalent of these assets is £2,275,336 (2017: £2,201,481). The methods and significant assumptions used to ascertain the fair values are as follows:

- Recent rentals and sales prices of comparative properties in similar areas
- Properties have been valued on an individual stand alone basis and not on the basis of a sale as part of a portfolio.
- Development proposals in the vicinity of the properties.

Revaluation gains of £59,345 (2017: £55,230) have been recognised in the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

7. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,940	8,880
Other debtors	40,673	37,657
	<u>44,613</u>	<u>46,537</u>
Amounts falling due after more than one year:		
Other debtors	<u>1,698</u>	<u>2,073</u>
Aggregate amounts	<u>46,311</u>	<u>48,610</u>

Included in other debtors falling due within one year is £375 (2017: £375), and amounts falling due after one year is £1,698 (2017: £2,073) in relation to accrued rental income in respect of rent free periods.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	2,852	1,945
Amounts owed to group undertakings	100	100
Corporation tax	13,776	25,214
Tenants' property bonds	2,550	1,400
Accruals and deferred income	28,229	39,389
	<u>47,507</u>	<u>68,048</u>

9. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>111,000</u>	<u>99,000</u>
		Deferred tax
		£
Balance at 1 January 2018		99,000
Charge to profit and loss		<u>12,000</u>
Balance at 31 December 2018		<u>111,000</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
215,700	Ordinary shares	£1	<u>215,700</u>	<u>215,700</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

11. RESERVES

	Retained earnings £	Non-distributable reserve £	Capital reserve £	Totals £
At 1 January 2018	1,054,352	1,497,419	1,378,955	3,930,726
Profit for the year	116,537			116,537
Dividends	(85,202)			(85,202)
Revaluation of investment properties	(59,345)	59,345	-	-
Deferred tax on investment properties	12,000	(12,000)	-	-
At 31 December 2018	<u>1,038,342</u>	<u>1,544,764</u>	<u>1,378,955</u>	<u>3,962,061</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Christopher Hatcher BSc FCA (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP

13. RELATED PARTY DISCLOSURES

Details of the company's related parties, where there were transactions during the year or balances at the end of the year such as require disclosure under Financial Reporting Standard 102 1A or otherwise, are:

Name	Nature of relationship
Glamorgan Investments Limited	Significant influence over Barry Island Cottage Company Limited
The Cathays Cottage Company Limited	Significant influence over Barry Island Cottage Company Limited
The Cardiff Exchange and Office Company Limited	Significant influence by Barry Island Cottage Company Limited

During the year the company entered into transactions, in the ordinary course of business, with its related parties. Transactions entered into, and balances outstanding at the year end, are as follows:

	2018 £	2017 £
Entities with significant influence over the company		
Dividends received	3,311	4,292
Dividend paid	27,880	26,820
Entities with significant influence by the company		
Dividend received	3,968	4,310
Key management personnel		
Dividend paid	5,995	5,767

Transactions in which directors have an interest:

During the year, the company's insurance premiums on its properties resulted in a share of the brokers commission being paid to Mrs G E C Rogers, entirely at the brokers discretion. The Board of Directors are satisfied with this arrangement.