COMPANY REGISTRATION NUMBER: 472779

WELLFIRM LIMITED

UNAUDITED FINANCIAL STATEMENTS

30 JUNE 2022

THURSDAY
ABZF90DV
A04 16/03/2023 #79
COMPANIES HOUSE

WELLFIRM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

CONTENTS	PAGE
Directors' Report	1
Profit and Loss Account and Other Comprehensive Income	2
Balance Sheet	3
Statement of Changes in Equity	4
Notes to the Financial Statements	5

WELLFIRM LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2022

The directors present their report and the unaudited financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is share investment. There has been no significant change in the nature of the company's business activities during the year under review, nor is any envisaged in the immediate future.

DIRECTORS

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

Mr B S E Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation. Neither director has a service contract with the company.

The majority of the day-to-day management of the company's operations is carried out by Highdorn Co Limited. Mr B S E Freshwater is a director of, but has no beneficial interest in the share capital of Highdorn Co Limited.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the company at the year end is set out in the attached balance sheet and explanatory notes.

The company did not pay a dividend in the year (2021: £nil). The directors do not propose a final dividend for the year (2021: £nil).

This report was approved by the board of directors on ....6 February 2023.... and signed on behalf of the board by:

J S Southgate
Company Secretary

Registered office:
Freshwater House
158-162 Shaftesbury Avenue
London
WC2H 8HR

WELLFIRM LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
TURNOVER	**4**	**76,401**	74,354
GROSS PROFIT		**76,401**	74,354
Administrative expenses		**(4,615)**	(3,862)
Net valuation (deficit)/gain on investments		**(613,935)**	477,505
OPERATING (LOSS)/PROFIT		**(542,149)**	547,997
(LOSS)/PROFIT BEFORE TAXATION		**(542,149)**	547,997
Tax on (loss)/profit	**6**	**154,000**	(224,000)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		**(388,149)**	323,997

All the activities of the company are from continuing operations.

WELLFIRM LIMITED

BALANCE SHEET

30 JUNE 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Investments	7		**2,046,450**		2,660,385
CURRENT ASSETS					
Debtors	8	**1,221,395**		1,150,650	
Cash at bank and in hand		**95**		95	
		1,221,490		1,150,745	
CREDITORS: amounts falling due within one year	9	**(883)**		(1,924)	
NET CURRENT ASSETS			**1,220,607**		1,148,821
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,267,057**		3,809,206
PROVISIONS FOR LIABILITIES AND CHARGES	10		**(401,000)**		(555,000)
NET ASSETS			**2,866,057**		3,254,206
CAPITAL AND RESERVES					
Called up share capital	13		**500**		500
Profit and loss account	14		**2,865,557**		3,253,706
TOTAL EQUITY			**2,866,057**		3,254,206

For the year ending 30 June 2022 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 in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 6 February 2023, and are signed on behalf of the board by:

Mr B S E Freshwater
Director

Company registration number: 472779

WELLFIRM LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022

	Called up share capital	Profit and loss account	**Total**
	£	£	£
AT 1 JULY 2020	500	2,929,709	2,930,209
Profit for the year		323,997	323,997
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	323,997	323,997
AT 30 JUNE 2021	500	3,253,706	**3,254,206**
Loss for the year		(388,149)	**(388,149)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	–	(388,149)	**(388,149)**
AT 30 JUNE 2022	500	2,865,557	**2,866,057**

The balance on the profit and loss account at 30 June 2022 includes £1,586,826 of unrealised profits which are not available for distribution.

The notes on pages 5 to 11 form part of these financial statements.

1. GENERAL INFORMATION

Wellfirm Limited (the "Company") is a company limited by shares and incorporated in the UK. The Company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR. The presentation currency of these financial statements is sterling.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention except that investments are measured at fair value.

The directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the company has adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting its liabilities and commitments as they fall due.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

Disclosure exemptions

In these financial statements, the company is considered to be a small company (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation; and
- Basic and Other Financial Instruments.

Turnover

Turnover represents income from share investments.

3. ACCOUNTING POLICIES *(continued)*

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investments that are measured at fair value, deferred tax is provided at the rate and allowances applicable to the sale of the investments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

Investments are initially recorded at cost, and subsequently stated at fair value with changes in fair value being recognised in the profit and loss account.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all its financial liabilities.

Basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

3. ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Trade and other debtors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

4. TURNOVER

Turnover arises from:

	2022	2021
	£	£
Dividends	**76,401**	74,354

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year (2021: £Nil).

6. TAX ON (LOSS)/PROFIT

Major components of tax (income)/expense

	2022	2021
	£	£
Deferred tax:		
Origination and reversal of timing differences	**(154,000)**	119,474
Impact of change in tax rate	**-**	104,526
Total deferred tax	**(154,000)**	224,000
Tax on (loss)/profit	**(154,000)**	224,000

6. TAX ON (LOSS)/PROFIT *(continued)*

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
(Loss)/profit on ordinary activities before taxation	**(542,149)**	547,997
(Loss)/profit on ordinary activities by rate of tax	**(103,008)**	104,119
Non-taxable income	**(14,516)**	(14,127)
Impact of changes in tax rate	**–**	104,526
Timing differences on unrealised gains	**(37,352)**	28,748
Disallowed expenses	**629**	492
Other differences	**247**	242
Tax on (loss)/profit	**(154,000)**	224,000

Factors that may affect future tax income

An increase in the main UK corporation tax rate to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future tax charge accordingly.

The deferred tax liability at 30 June 2022 has been calculated based on the rate of 25% (2021: 25%).

7. INVESTMENTS

	Other investments
	£
Fair value	
At 1 July 2021	**2,660,385**
Revaluations	**(613,935)**
At 30 June 2022	**2,046,450**
Impairment	
At 1 July 2021 and 30 June 2022	**–**
Carrying amount	
At 30 June 2022	**2,046,450**
At 30 June 2021	2,660,385

Other investments comprise shares in Daejan Holdings Limited which were valued by the directors as at 30 June 2022 using a combined discounted net asset and dividend yield approach based on a recent independent professional valuation.

Historical cost model

The historical cost of investments at 30 June 2022 is £58,624 (2021: £58,624).

8. DEBTORS

	2022	2021
	£	£
Other debtors	**1,221,395**	1,150,650

Other debtors include an amount of £1,221,395 (2021: £1,100,171) due from a connected company, Highdorn Co. Limited, a company of which Mr B S E Freshwater is a director and also has a non-beneficial interest in its share capital. The loan is interest free and effectively repayable on demand.

Other debtors also include dividends receivable of £nil (2021: £50,479), due from Daejan Holdings Limited, a company of which Mr B S E Freshwater and Mr Davis are directors and are also interested in its share capital.

9. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Other creditors	**883**	1,924

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax (note 11)
	£
At 1 July 2021	**555,000**
Credit for the year	**(154,000)**
At 30 June 2022	**401,000**

11. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2022	2021
	£	£
Included in provisions for liabilities and charges (note 10)	**401,000**	555,000

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

	2022	2021
	£	£
Revaluation of investments	**401,000**	555,000

12. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2022	2021
	£	£
Financial assets measured at fair value through profit or loss		
Market value of investments	**2,046,450**	2,660,385

12. FINANCIAL INSTRUMENTS *(continued)*

	2022	2021
	£	£
Financial assets that are debt instruments measured at amortised cost		
Debtors	**1,221,395**	1,150,650
Cash at Bank	**95**	95
	1,221,490	1,150,745
Financial liabilities measured at amortised cost		
Creditors	**883**	1,924

The fair values of assets held at fair value through profit and loss at the balance sheet date are determined by the directors based on an independent professional valuation.

13. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	**250**	**250**	250	250
Preference shares of £0.10 each	**2,500**	**250**	2,500	250
	2,750	**500**	2,750	500

14. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

15. RELATED PARTY TRANSACTIONS

The majority of the day to day management of the company's operations is carried out by Highdorn Co. Limited, a company in which Mr B S E Freshwater is a director and has a non-beneficial interest in the share capital.

During the year £420 (2021: £420), including VAT, was payable to Highdorn for the full range of management and administrative services which were charged for at normal commercial rates.

Dividends receivable from investments relate to Daejan Holdings Limited, a company in which Mr B S E Freshwater and Mr D Davis are directors and are also interested in its share capital.

The Board considers that the Directors are the key management personnel of the company and their remuneration is disclosed in note 5.

16. CONTROLLING PARTY

The company is controlled by Freshwater family Trusts.

17. ACCOUNTING ESTIMATES AND JUDGEMENTS

i. Other investments valuations

The valuation of the company's other investments is subjective, depending on many factors, including comparator dividend yields and net asset values, assumed rationale of prospective share purchasers, and the deemed impact of entity specific conditions on the aforementioned measures. Significant judgement is also required when selecting comparator companies to be included in the population from which expected yields and discounted net asset values are derived. Therefore, the valuations are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions. As noted in note 7 above, the company's other investments were valued by the directors based on the recent valuation of an external valuer with appropriate qualifications and experience.