

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2018
for
Llanllŷr Water Company Limited**

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for the Year Ended 31 December 2018**

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**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:

P Gee
S Romans
J F Wallington

SECRETARY:

I Downie

REGISTERED OFFICE:

Talsarn
Lampeter
Ceredigion
SA48 8QB

REGISTERED NUMBER:

03648492 (England and Wales)

AUDITORS:

Williams & Co
Chartered Accountants & Statutory Auditors
8/10 South Street
Epsom
Surrey
KT18 7PF

**Report of the Directors
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of extraction, bottling & distribution of spring water.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

P Gee
S Romans
J F Wallington

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Williams & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

J F Wallington - Director

28 May 2019

Balance Sheet
31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	4		1,691,413		1,687,569
CURRENT ASSETS					
Stocks		682,823		576,955	
Debtors	5	504,336		387,724	
Cash at bank		149,646		-	
		<u>1,336,805</u>		<u>964,679</u>	
CREDITORS					
Amounts falling due within one year	6	<u>1,204,779</u>		<u>954,003</u>	
NET CURRENT ASSETS			<u>132,026</u>		<u>10,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,823,439		1,698,245
CREDITORS					
Amounts falling due after more than one year	7		<u>1,070,224</u>		<u>965,212</u>
NET ASSETS			<u>753,215</u>		<u>733,033</u>
CAPITAL AND RESERVES					
Called up share capital	9		168,217		168,217
Share premium			359,005		359,005
Retained earnings			<u>225,993</u>		<u>205,811</u>
SHAREHOLDERS' FUNDS			<u>753,215</u>		<u>733,033</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 Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors on 28 May 2019 and were signed on its behalf by:

J F Wallington - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

Llanllyr Water Company Limited is a private company, limited by shares, 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements have been prepared on a going concern basis even though at the balance sheet date, the company reported negative P&L reserves, before taking account of the revaluation reserve, which results in positive retained earnings.

The directors consider the going concern basis to be appropriate because in the opinion of the Board, the company will continue to obtain sufficient funding to enable it to pay its debts as they arise and has returned to profit in this year. If the company were unable to obtain this funding and this did affect the ability of the company to trade going forward, then the directors recognise that adjustments to the accounts would have to be made to some assets to reduce their value to a realisable amount and there may be further liabilities to provide against.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

A sale is recognised when the goods are invoiced and leave the premises of the company.

Tangible fixed assets

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

Land and buildings	- in accordance with the property
Plant and machinery etc	- at varying rates on cost

Stocks

Stock and work in progress are valued using the standard cost basis and this policy has been changed in the year to reflect the company's increasing turnover.

Cost of sales is then calculated using the standard basis which includes all purchase, transport and handling costs in bring stocks to their present location and condition.

As a result of these changes in policy, a revised cost of sales figure arose within the year but the comparative figures for 2017 have not been adjusted.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2017 - 20) .

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1 January 2018	1,509,217	1,018,596	2,527,813
Additions	-	76,262	76,262
At 31 December 2018	<u>1,509,217</u>	<u>1,094,858</u>	<u>2,604,075</u>
DEPRECIATION			
At 1 January 2018	125,453	714,791	840,244
Charge for year	15,245	57,173	72,418
At 31 December 2018	<u>140,698</u>	<u>771,964</u>	<u>912,662</u>
NET BOOK VALUE			
At 31 December 2018	<u>1,368,519</u>	<u>322,894</u>	<u>1,691,413</u>
At 31 December 2017	<u>1,383,764</u>	<u>303,805</u>	<u>1,687,569</u>

Cost or valuation at 31 December 2018 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2012	1,496,330	-	1,496,330
Cost	12,887	1,094,858	1,107,745
	<u>1,509,217</u>	<u>1,094,858</u>	<u>2,604,075</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

4. TANGIBLE FIXED ASSETS - continued

If the boreholes had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>12,887</u>	<u>12,887</u>
Aggregate depreciation	<u>1,804</u>	<u>1,804</u>
Value of land in freehold land and buildings	<u>1,432,609</u>	<u>1,432,609</u>

The boreholes were valued on a future earnings basis on 31 December 2012 by the Directors .

The company has a 99 year lease in place which gives it the right to use 8 different boreholes on the site at Llanllyr Farm. The company was previously only using one borehole for production but since the last valuation has now started using a second borehole. As a result, a revaluation of the asset has taken place and further ones are expected if the remaining 6 boreholes are brought into use. These boreholes have not yet come into use and the directors therefore consider the current value of the borehole accurately reflects the income stream currently being generated.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	425,223	331,672
Other debtors	<u>79,113</u>	<u>56,052</u>
	<u>504,336</u>	<u>387,724</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	44,776	97,925
Hire purchase contracts	28,580	20,432
Factoring account	377,049	272,746
Trade creditors	715,381	521,985
Taxation and social security	7,282	6,621
Other creditors	<u>31,711</u>	<u>34,294</u>
	<u>1,204,779</u>	<u>954,003</u>

The factoring account is secured by a fixed and floating charge against the trade debtors of the company.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Bank loans	345,000	56,480
Hire purchase contracts	24,870	16,918
Amounts owed to group undertakings	<u>700,354</u>	<u>891,814</u>
	<u>1,070,224</u>	<u>965,212</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

8. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Factoring account	<u>377,046</u>	<u>272,746</u>

The factoring facility is secured by a fixed and floating charge on all assets of the company

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
116,666	Ordinary shares	£1	116,666	116,666
515,514	Ordinary A shares	10p	<u>51,551</u>	<u>51,551</u>
			<u>168,217</u>	<u>168,217</u>

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

The Report of the Auditors was unqualified.

Stock Valuation

The company has changed its accounting policy on stock in the year whereby it is now valued on a Standard cost basis. The comparative figures have not been adjusted to reflect this change but the accounting policy note on page 7 has been updated with the new policy.

Paul M Smith BSc FCA (Senior Statutory Auditor)
for and on behalf of Williams & Co

11. RELATED PARTY DISCLOSURES

Llanllyr Source Limited

Parent company.

Amount owed to related part at the balance sheet dates was £670,756 (2017: £891,814).

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is SJR Equity Water LLC, a company incorporated in USA. Seth Romans is a director and shareholder in this business

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