

Financial Statements
for the Year Ended 31 December 2017
for
Llanllyr Water Company Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2017**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

**Company Information
for the Year Ended 31 December 2017**

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
Statutory Auditors
8-10 South Street
Epsom
Surrey
KT18 7PF

Balance Sheet
31 December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	4		1,687,569		1,711,137
CURRENT ASSETS					
Stocks	5	576,955		337,533	
Debtors	6	<u>387,724</u>		<u>533,740</u>	
		964,679		871,273	
CREDITORS					
Amounts falling due within one year	7	<u>954,003</u>		<u>861,688</u>	
NET CURRENT ASSETS			<u>10,676</u>		<u>9,585</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,698,245		1,720,722
CREDITORS					
Amounts falling due after more than one year	8		<u>965,212</u>		<u>1,078,419</u>
NET ASSETS			<u>733,033</u>		<u>642,303</u>
CAPITAL AND RESERVES					
Called up share capital	11		168,217		168,217
Share premium	12		359,005		359,005
Retained earnings	12		<u>205,811</u>		<u>115,081</u>
SHAREHOLDERS' FUNDS			<u>733,033</u>		<u>642,303</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 10 September 2018 and were signed on its behalf by:

P Gee - Director

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

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 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.

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.

Long leasehold	- in accordance with the property
Plant and machinery	- at varying rates on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 2017**

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 NIL (2016 - 20).

4. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Totals £
COST OR VALUATION			
At 1 January 2017	1,509,217	977,364	2,486,581
Additions	-	41,232	41,232
At 31 December 2017	<u>1,509,217</u>	<u>1,018,596</u>	<u>2,527,813</u>
DEPRECIATION			
At 1 January 2017	110,208	665,236	775,444
Charge for year	15,245	49,555	64,800
At 31 December 2017	<u>125,453</u>	<u>714,791</u>	<u>840,244</u>
NET BOOK VALUE			
At 31 December 2017	<u>1,383,764</u>	<u>303,805</u>	<u>1,687,569</u>
At 31 December 2016	<u>1,399,009</u>	<u>312,128</u>	<u>1,711,137</u>

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

4. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2017 is represented by:

	Long leasehold £	Plant and machinery £	Totals £
Valuation in 2006	417,177	-	417,177
Valuation in 2007	47,785	-	47,785
Valuation in 2009	531,368	-	531,368
Valuation in 2010	100,000	-	100,000
Valuation in 2011	100,000	-	100,000
Valuation in 2012	300,000	-	300,000
Cost	12,887	1,018,596	1,031,483
	<u>1,509,217</u>	<u>1,018,596</u>	<u>2,527,813</u>

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

	2017 £	2016 £
Cost	12,887	12,887
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.

5. STOCKS

	2017 £	2016 £
Raw materials	230,076	97,493
Work-in-progress	7,772	7,772
Finished goods	339,107	232,268
	<u>576,955</u>	<u>337,533</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	331,672	524,854
VAT	13,345	-
Prepayments and accrued income	42,707	8,886
	<u>387,724</u>	<u>533,740</u>

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

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 9)	80,234	112,016
Hire purchase contracts	20,432	9,238
Factoring account	272,746	307,360
Trade creditors	521,985	379,353
Social security and other taxes	6,621	5,829
VAT	-	2,503
Bank loan	17,691	20,486
Accrued expenses	34,294	24,903
	<u>954,003</u>	<u>861,688</u>

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

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

	2017	2016
	£	£
Bank loans (see note 9)	56,480	74,728
Hire purchase contracts	16,918	12,947
Amounts owed to group undertakings	891,814	990,744
	<u>965,212</u>	<u>1,078,419</u>

9. LOANS

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>80,234</u>	<u>112,016</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>20,671</u>	<u>20,080</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>35,809</u>	<u>54,648</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016
	£	£
Factoring account	<u>278,111</u>	<u>292,164</u>

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

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

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
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>

12. RESERVES

The Company's other reserves are as follows:

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments, as well as a non-distributable Borehole Revaluation Reserve of a carrying value of £1,396,330 (2016: £1,396,330)

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

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

The Report of the Auditors was unqualified.

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

14. RELATED PARTY DISCLOSURES

Llanllyr Source Limited
Parent company.

Amount owed to related part at the balance sheet dates was £891,814 (2016: £990,744).

15. 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

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.