

Company registration number 07053896 (England and Wales)

**WELCOME HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# WELCOME HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J Peterson Mr M A Balaam Mr D Linge	(Appointed 23 July 2021)
<b>Secretary</b>	Mr S Montague	
<b>Company number</b>	07053896	
<b>Registered office</b>	1 Cibyn Industrial Estate Caernarfon Gwynedd LL55 2BD	
<b>Auditor</b>	Champion Accountants LLP 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE	

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# WELCOME HOLDINGS LIMITED

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# **WELCOME HOLDINGS LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The directors present the strategic report for the year ended 31 March 2022.

### **Review of the business**

The company is an intermediate holding company, whose income is represented by management charges, dividends and rent from other group companies.

Performance of the business is measured by its continuing ability to provide assets to companies in the group.

### **Principal risks and uncertainties**

The key risk to the company is considered to relate to the performance of the UK wide retail economy. This risk would be in the form of a downturn in consumer spending and a potential increase in interest rates.

### **Objectives and policies**

The business' principle financial instruments comprise bank borrowings and group balances.

Financial instruments are managed in such a way as to ensure that there are sufficient funds available to meet the liabilities as they fall due.

### **Cash flow risk**

Cash flow risk is managed by careful cash flow forecasting, planning and monitoring to ensure repayment of commitments.

On behalf of the board

Mr J Peterson

**Director**

3 November 2022

# WELCOME HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

The principal activity of the company continued to be that of a holding company.

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J Peterson

Mr M A Balaam

Mr D Linge

(Appointed 23 July 2021)

#### Auditor

Champion Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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). 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.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of key risks and performance criteria.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

**WELCOME HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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On behalf of the board

Mr J Peterson  
**Director**

3 November 2022

# WELCOME HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WELCOME HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Welcome Holdings Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss 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 *Auditor's 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **WELCOME HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)** **TO THE MEMBERS OF WELCOME HOLDINGS LIMITED**

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#### **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 directors' report. We have nothing to report in respect of the following matters in relation to which 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 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 directors' responsibilities statement, 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 is 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.

#### **Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:



# **WELCOME HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WELCOME HOLDINGS LIMITED**

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#### **Extent to which the audit is considered capable of detecting irregularities, including fraud**

The responsibility for the prevention and detection of irregularities, including fraud, lies with the directors and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

#### **Audit procedures**

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), the relevant tax regulations in the UK, employment law and the Health and Safety at Work Act 1974.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of minutes of meetings of those charged with governance; review and testing of manual journals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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 an auditor's report 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.

**Susan Harris MA ACA (Senior Statutory Auditor)**  
**For and on behalf of Champion Accountants LLP**

3 November 2022

**Chartered Accountants**  
**Statutory Auditor**

2nd Floor Refuge House  
33-37 Watergate Row  
Chester  
CH1 2LE

## WELCOME HOLDINGS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 MARCH 2022*

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	597,800	1,707,833
Administrative expenses		(1,054,057)	(1,393,419)
Other operating income		559,078	577,480
<b>Operating profit</b>	<b>4</b>	102,821	891,894
Interest receivable and similar income	<b>6</b>	39	6
Interest payable and similar expenses	<b>7</b>	(61,249)	(70,858)
<b>Profit before taxation</b>		41,611	821,042
Tax on profit	<b>8</b>	(58,409)	(180,770)
<b>(Loss)/profit for the financial year</b>		(16,798)	640,272

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# WELCOME HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	9	4,415,904		2,694,445	
Investments	10	100		100	
		<u>4,416,004</u>		<u>2,694,545</u>	
<b>Current assets</b>					
Debtors	12	2,641,808		2,574,290	
Cash at bank and in hand		14,608		4,849	
		<u>2,656,416</u>		<u>2,579,139</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,624,938)</u>		<u>(3,305,542)</u>	
<b>Net current liabilities</b>			<u>(968,522)</u>		<u>(726,403)</u>
<b>Total assets less current liabilities</b>			3,447,482		1,968,142
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(2,218,528)</u>		<u>(780,799)</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	17	282,446		224,037	
		<u>(282,446)</u>		<u>(224,037)</u>	
<b>Net assets</b>			<u>946,508</u>		<u>963,306</u>
<b>Capital and reserves</b>					
Called up share capital	18		100		100
Revaluation reserve			51,191		63,834
Profit and loss reserves			895,217		899,372
<b>Total equity</b>			<u>946,508</u>		<u>963,306</u>

The financial statements were approved by the board of directors and authorised for issue on 3 November 2022 and are signed on its behalf by:

Mr J Peterson  
Director

Company Registration No. 07053896

# WELCOME HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 April 2020</b>	100	76,476	246,458	323,034
<b>Year ended 31 March 2021:</b>				
Profit and total comprehensive income for the year	-	-	640,272	640,272
Transfers	-	(12,642)	12,642	-
<b>Balance at 31 March 2021</b>	100	63,834	899,372	963,306
<b>Year ended 31 March 2022:</b>				
Loss and total comprehensive income for the year	-	-	(16,798)	(16,798)
Transfers	-	(12,643)	12,643	-
<b>Balance at 31 March 2022</b>	100	51,191	895,217	946,508

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### **1 Accounting policies**

#### **Company information**

Welcome Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is 1 Cibyn Industrial Estate, Caernarfon, Gwynedd, LL55 2BD.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Welcome Holdings Limited is a wholly owned subsidiary of Welcome Furniture Group Limited and the results of Welcome Holdings Limited are included in the consolidated financial statements of Welcome Furniture Group Limited which are available from Companies House.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts chargeable, net of value added tax and trade discounts, in respect of management charges.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	12 years on a straight line basis. Land is not depreciated
Short leasehold land and buildings	12 years on a straight line basis
Plant and equipment	7 years on a straight line basis
Fixtures and fittings	50% on a straight line basis
Motor vehicles	25% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Management charges	597,800	1,707,833
	<u>          </u>	<u>          </u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
UK	597,800	1,707,833
	<u>          </u>	<u>          </u>

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	39	6
Grants received	25,058	31,371
Rent receivable	480,261	480,167
	<u>          </u>	<u>          </u>

Grants received during the year relate to monies received under the Single Investment Fund in Wales.

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(25,058)	(31,371)
Depreciation of owned tangible fixed assets	440,198	357,728
Depreciation of tangible fixed assets held under finance leases	316,830	202,374
Profit on disposal of tangible fixed assets	(4,816)	(19,005)
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Number of administrative staff	3	2
	<u>          </u>	<u>          </u>

### 6 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Other interest income	39	6
	<u>          </u>	<u>          </u>

### 7 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	32,747	25,785
Interest on finance leases and hire purchase contracts	28,502	45,073
	<u>          </u>	<u>          </u>
	61,249	70,858
	<u>          </u>	<u>          </u>

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	92,443
Adjustments in respect of prior periods	-	(3,332)
Total current tax	-	89,111
<b>Deferred tax</b>		
Origination and reversal of timing differences	58,409	91,659
Total tax charge	58,409	180,770

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	41,611	821,042
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	7,906	155,998
Tax effect of expenses that are not deductible in determining taxable profit	3,401	995
Group relief surrendered	18,400	-
Under/(over) provided in prior years	-	(3,332)
Fixed asset timing differences	28,702	27,109
Taxation charge for the year	58,409	180,770

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Tangible fixed assets

	Freehold land and buildings	Short leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2021	1,572,250	462,898	2,812,994	96,620	968,984	5,913,746
Additions	1,617,418	4,492	143,458	-	735,836	2,501,204
Disposals	-	-	(70,311)	(23,269)	(71,447)	(165,027)
At 31 March 2022	3,189,668	467,390	2,886,141	73,351	1,633,373	8,249,923
<b>Depreciation and impairment</b>						
At 1 April 2021	445,309	199,436	1,987,931	89,851	496,774	3,219,301
Depreciation charged in the year	112,098	38,606	232,409	6,768	367,147	757,028
Eliminated in respect of disposals	-	-	(54,805)	(23,269)	(64,236)	(142,310)
At 31 March 2022	557,407	238,042	2,165,535	73,350	799,685	3,834,019
<b>Carrying amount</b>						
At 31 March 2022	2,632,261	229,348	720,606	1	833,688	4,415,904
At 31 March 2021	1,126,941	263,462	825,063	6,769	472,210	2,694,445

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and equipment	285,781	388,457
Motor vehicles	673,986	65,195
	959,767	453,652

Included in freehold land and buildings is land valued at £911,850 (2021 - £311,850) which is not depreciated.

### 10 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	11	100	100

### 11 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 11 Subsidiaries (Continued)

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Welcome Furniture Limited	1	Manufacturing furniture	Ordinary shares	100.00

Registered office addresses (all UK unless otherwise indicated):

1 1 Cibyn Industrial Estate, Caenarfon, Gwynedd, United Kingdom, LL55 2BD

### 12 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	38,400
Amounts owed by group undertakings	2,586,076	2,276,396
Other debtors	4,403	8,555
Prepayments and accrued income	51,329	250,939
	<u>2,641,808</u>	<u>2,574,290</u>

### 13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	15	103,738	92,332
Obligations under finance leases	16	349,279	136,285
Trade creditors		-	5,000
Amounts owed to group undertakings		3,099,942	2,882,442
Corporation tax		-	92,444
Accruals and deferred income		71,979	97,039
		<u>3,624,938</u>	<u>3,305,542</u>

### 14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	15	1,836,044	646,187
Obligations under finance leases	16	382,484	134,612
		<u>2,218,528</u>	<u>780,799</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	150,191	158,922
	<u>150,191</u>	<u>158,922</u>

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 15 Loans and overdrafts

	2022 £	2021 £
Bank loans	1,939,782	738,519
Payable within one year	103,738	92,332
Payable after one year	1,836,044	646,187

The long term loans are repayable over 10 years and bear interest at 1.96% over the Bank of England base rate. The loans are secured by first legal charges dated 8 July 2011 and 11 October 2019 over freehold property and composite multilateral guarantee dated 30 January 2017 between Welcome Furniture Limited, Welcome Holdings Limited and Welcome Furniture Group Limited.

The loan taken out in the year is repayable over 5 years and bears interest at 2.75% over the Bank of England base rate.

### 16 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	367,533	149,945
In two to five years	392,184	140,564
	759,717	290,509
Less: future finance charges	(27,954)	(19,612)
	731,763	270,897

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 - 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	251,611	193,202
Revaluations	35,585	35,585
Provisions	(4,750)	(4,750)
	282,446	224,037

# WELCOME HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 17 Deferred taxation (Continued)

	2022 £
<b>Movements in the year:</b>	
Liability at 1 April 2021	224,037
Charge to profit or loss	58,409
Liability at 31 March 2022	<u>282,446</u>

### 18 Share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

### 19 Operating lease commitments

Operating lease payments represent rentals payable by the company for its property.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	60,000	60,000
Between two and five years	240,000	240,000
In over five years	60,000	180,000
	<u>360,000</u>	<u>480,000</u>

### 20 Related party transactions

#### Transactions with related parties

At the year end an amount of £2,586,076 (2021 - £2,276,396) was due from Welcome Furniture Limited, a subsidiary of Welcome Holdings Limited. No interest was charged on the balance during the year and is repayable on demand.

At the year end an amount of £3,099,942 (2021 - £2,882,442) was due to Welcome Furniture Group Limited, the parent company of Welcome Holdings Limited. No interest was charged on the balance during the year and is repayable on demand.

## **WELCOME HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **21 Reserves**

##### **Revaluation reserve**

The cumulative revaluation gains and losses in respect of land and building are included within the revaluation reserve.

##### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

#### **22 Ultimate controlling party**

The immediate parent undertaking is Welcome Furniture Group Limited.

Welcome Furniture Group Limited is the smallest and largest company for which consolidated accounts including Welcome Holdings Limited are prepared. The consolidated accounts of Welcome Furniture Group Limited are available from its registered office, 1 Cibyn Industrial Estate, Caermarfon, Gwynedd, Wales, LL55 2BD.

The ultimate controlling party of Welcome Furniture Group Limited is Mr J A Peterson.



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