

Registration number: 08292315

# Enfys Developments Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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## **Enfys Developments Limited**

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# **Enfys Developments Limited**

## **Company Information**

<b>Directors</b>	Mr S L Epps
	Mr S A Hembrow
	Mrs A K Hinchey
	Mr S T J Porter
	Mr A Stephenson
<b>Registered office</b>	Archway House 77 Parc Ty Glas Llanishen Cardiff CF14 5DU
<b>Auditor</b>	Beever and Struthers St George's House 215-219 Chester Road Manchester Lancashire M15 4JE

## **Enfys Developments Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The directors present the strategic report of Enfys Developments Limited (“Enfys” or the “company”) for the year ended 31 December 2021.

#### **Principal activity**

The principal activity of the company in the year was that of construction management services.

#### **Fair review of the business**

Enfys manages the development of new affordable housing stock for its parent company, Wales & West Housing Association Limited (the “Association”). The company also manages a small volume of commercial housing developments for sale by Castell Homes Limited (“Castell”), a fellow member of the group of companies controlled by the Association (the “group”).

Enfys seeks to do the right thing to deliver what matters to residents of the future, building high-quality developments that are energy-efficient, well designed, located based upon need and delivered cost effectively.

Enfys has its own board of directors, which meets four times annually. All significant decisions made by the company are subject to direct oversight and governance by the group Board of Directors, which meets regularly throughout the year.

#### **Performance during the year**

During the year, Enfys handed over a total of 256 new properties (2020: 181). A total of 362 are forecast to be handed over during 2022.

The results for the year show a decreased turnover of £29.1 million (2020: £34.3 million) following delays to a number of sites caused by the pandemic and difficulties with the supply of labour and materials. Operating profit decreased in line with this to £349,815 (2020: £390,207), although the operating profit margin remained consistent at 1.2% (2020: 1.1%). As in previous years, the profit will be gifted to the parent undertaking.

At 31 December 2021, Enfys had gross assets of £5.4 million (2020: £5.2 million). There were 516 homes (2020: 549) under construction on site at 31 December 2021.

#### **Principal risks and uncertainties**

Development work is all carried out on behalf of fellow group undertakings on a cost-plus basis and no members of staff are directly employed, therefore the level of associated risk and uncertainty is limited.

The risk of poor governance is mitigated by direct oversight from the group Board of Directors, which is diverse and draws upon a wide range of skills, backgrounds and specialisms.

The company is within the scope of the group risk assessment and risk management procedures which are set out more fully in the annual report and financial statements of the parent undertaking.

#### **Covid-19**

Construction work has continued through the pandemic albeit at a slower pace. Contractors maintain physical distancing at all development sites and follow Government guidelines with regards to PPE (personal protective equipment) and hygiene.

## **Enfys Developments Limited**

### **Strategic Report for the Year Ended 31 December 2021**

#### **Future developments**

Enfys will continue with its current principal activities for the foreseeable future. It is anticipated that the volume of development activity will increase during 2022.

Approved and authorised by the Board on 26.May.2022 and signed on its behalf by:



.....  
Mrs A K Hinchey  
Director

## **Enfys Developments Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Director of the company**

The directors who held office during the year were as follows:

Mr S L Epps

Mr S A Hembrow

Mrs A K Hinchey

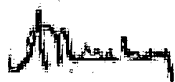
Mr S T J Porter

Mr A Stephenson

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on ~~26 May 2022~~ and signed on its behalf by:



.....  
Mrs A K Hinchey  
Director

## **Enfys Developments Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Enfys Developments Limited**

### **Independent Auditor's Report to the Members of Enfys Developments Limited**

#### **Opinion**

We have audited the financial statements of Enfys Developments Limited (the 'company') for the year ended 31 December 2021, which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of 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 December 2021 and of its profit 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 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 Director's 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **Enfys Developments Limited**

### **Independent Auditor's Report to the Members of Enfys Developments Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 directors' 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 Statement of Directors' Responsibilities [set out on page 5], 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 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.

## **Enfys Developments Limited**

### **Independent Auditor's Report to the Members of Enfys Developments Limited**

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Directors and reviewed correspondence and Directors meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Directors have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Directors have in place to prevent and detect fraud.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Company's activities and the regulated nature of the Company's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Enfys Developments Limited**

### **Independent Auditor's Report to the Members of Enfys Developments Limited**

#### **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.

*Beever and Struthers*

.....  
Lee Cartwright (Senior Statutory Auditor)

For and on behalf of Beever and Struthers, Chartered Accountants

Chartered Accountants and Statutory Auditors

St George's House

215-219 Chester Road

Manchester

M15 4JE

Date: 26 May 2022.....

## Enfys Developments Limited

### Income Statement for the Year Ended 31 December 2021

	Note	2021 £	2020 £
Turnover		29,131,474	34,295,248
Cost of sales		<u>(28,739,551)</u>	<u>(33,863,928)</u>
Gross profit		391,923	431,320
Administrative expenses		<u>(42,108)</u>	<u>(41,113)</u>
Operating profit	3	<u>349,815</u>	<u>390,207</u>
Other interest receivable and similar income	4	115	-
Interest payable and similar expenses	5	<u>(61,500)</u>	<u>(50,650)</u>
		<u>(61,385)</u>	<u>(50,650)</u>
Profit before tax		<u>288,430</u>	<u>339,557</u>
Profit for the financial year		<u><u>288,430</u></u>	<u><u>339,557</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Profit and total comprehensive income for the year is £349,815.

There was no other comprehensive income in the year.

# Enfys Developments Limited

(Registration number: 08292315)

## Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Stocks	9	1,936,596	1,474,332
Debtors	10	615,710	295,216
Cash at bank and in hand		<u>2,886,631</u>	<u>3,468,789</u>
		5,438,937	5,238,337
<b>Creditors: Amounts falling due within one year</b>	12	<u>(5,438,936)</u>	<u>(5,238,336)</u>
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital		<u>1</u>	<u>1</u>
Shareholders' funds		<u>1</u>	<u>1</u>

Approved and authorised by the Board on 26.May.2022 and signed on its behalf by:



.....  
Mrs A K Hinchey  
Director

The notes on pages 14 to 17 form an integral part of these financial statements.

## Enfys Developments Limited

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2021	1	-	1
Profit for the year	-	288,430	288,430
Total comprehensive income	-	288,430	288,430
Gift Aid distribution to parent	-	(288,430)	(288,430)
At 31 December 2021	1	-	1
	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2020	1	-	1
Profit for the year	-	339,557	339,557
Total comprehensive income	-	339,557	339,557
Gift Aid distribution to parent	-	(339,557)	(339,557)
At 31 December 2020	1	-	1

The notes on pages 14 to 17 form an integral part of these financial statements.

## Enfys Developments Limited

### Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		288,430	339,557
Adjustments to cash flows from non-cash items			
Finance income	4	(115)	-
Finance costs	5	<u>61,500</u>	<u>50,650</u>
		349,815	390,207
Working capital adjustments			
Increase in stocks	9	(462,264)	(539,636)
(Increase)/decrease in trade debtors	10	(320,494)	279,067
Increase/(decrease) in trade creditors	12	<u>200,600</u>	<u>(1,363,939)</u>
Net cash flow from operating activities		<u>(232,343)</u>	<u>(1,234,301)</u>
<b>Cash flows from investing activities</b>			
Interest received	4	115	-
<b>Cash flows from financing activities</b>			
Interest paid	5	(61,500)	(50,650)
Gift Aid distribution to parent		<u>(288,430)</u>	<u>(335,319)</u>
Net cash flows from financing activities		<u>(349,930)</u>	<u>(385,969)</u>
Net decrease in cash and cash equivalents		(582,158)	(1,620,270)
Cash and cash equivalents at 1 January		<u>3,468,789</u>	<u>5,089,059</u>
Cash and cash equivalents at 31 December		<u><u>2,886,631</u></u>	<u><u>3,468,789</u></u>

The notes on pages 14 to 17 form an integral part of these financial statements.

## **Enfys Developments Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Archway House  
77 Parc Ty Glas  
Llanishen  
Cardiff  
CF14 5DU

These financial statements were authorised for issue by the Board on .....

#### **Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Summary of disclosure exemptions**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland," not to disclose related party transactions with wholly owned subsidiaries within the group..

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the rolling forecasts and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

##### **Revenue recognition**

Turnover represents net invoiced amounts for the provision of construction management services.

##### **Stocks**

Work in progress is valued at the lower of cost and net realisable value.



## Enfys Developments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

After initial recognition financial assets and liabilities are measured at amortised cost.

Financial assets are derecognised when the contractual rights expire.

Financial liabilities are derecognised when the contractual obligation is extinguished.

#### Distribution

The gift aid payment from the company to its charitable parent is treated as a distribution from total equity. The company has a legal obligation to recognise this payment in the year due to a deed of covenant being in place before the year end. Profits donated to the parent charity are paid within nine months after the year end.

#### 3 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Auditor's remuneration - The audit of the company's annual accounts	<u>5,300</u>	<u>4,500</u>

#### 4 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>115</u>	<u>-</u>

#### 5 Interest payable and similar expenses

	2021	2020
	£	£
Interest payable on loans from group undertakings	<u>61,500</u>	<u>50,650</u>

#### 6 Staff costs

There were no staff costs for the year ended 31 December 2021 (2020: £nil).

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	-	-

## Enfys Developments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 8 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>288,430</u>	<u>339,557</u>
Corporation tax at standard rate	54,802	64,516
Reduction to corporation tax charge due to gift aid	<u>(54,802)</u>	<u>(64,516)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

#### 9 Stocks

	2021 £	2020 £
Work in progress	<u>1,936,596</u>	<u>1,474,332</u>

#### 10 Debtors

	2021 £	2020 £
Trade debtors	-	50,467
Amounts owed by related parties	462,644	54,454
Other debtors	<u>153,066</u>	<u>190,295</u>
	<u>615,710</u>	<u>295,216</u>

#### 11 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>2,886,631</u>	<u>3,468,789</u>

## Enfys Developments Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 12 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	20,197	70,583
Amounts owed to group undertakings	-	298,810
Accruals	3,630,309	3,029,386
Amounts owed to group - gift aid	288,430	339,557
Amounts owed to group - loan	1,500,000	1,500,000
	<u>5,438,936</u>	<u>5,238,336</u>

#### 13 Commitments

##### Other financial commitments

As at 31 December 2021 the company had contractual commitments with suppliers totalling £35,140,058 (2020: £32,526,120). These commitments will be funded by available funds and future payments under the design and build contracts the company has in place with Wales & West Housing Association Limited.

The total amount of other financial commitments not provided in the financial statements was £Nil (2020 - £Nil).

#### 14 Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
<b>Cash and cash equivalents</b>			
Cash	<u>3,468,789</u>	<u>(582,158)</u>	<u>2,886,631</u>
	<u>3,468,789</u>	<u>(582,158)</u>	<u>2,886,631</u>

#### 15 Parent and ultimate parent undertaking

The company's ultimate controlling party and ultimate parent undertaking is Wales & West Housing Association Limited, incorporated in England and Wales.

These financial statements are available upon request from Archway House, 77 Parc Ty Glas, Llanishen, Cardiff, CF14 5DU