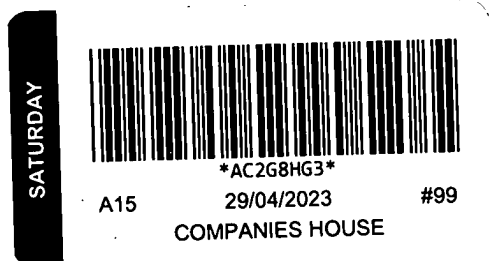


# Enfys Developments Limited

Annual Report and Financial Statements

For the year ended 31 December 2022



# **Entrys Developments Limited**

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## **enrys Developments Limited**

### **Company Information**

**Directors**

Mrs A K Hinchey

Mr A Stephenson

Mrs J M Davoile (appointed 14 July 2022)

Mr S A Hembrow

Mr S L Epps

Mr S T J Porter

**Registered Office**

Archway House

77 Parc Ty Glas

Llanishen

Cardiff

CF14 5DU

**Auditor**

Beever and Struthers

Beever and Struthers

The Colmore Building

20 Colmore Circus

Queensway

Birmingham

## **Strategic Report for the Year Ended 31 December 2022**

The directors present the strategic report of Enfys Developments Limited ("Enfys" or the "company") for the year ended 31 December 2022.

### **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's Board of Directors, which meets regularly throughout the year.

### **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 performance is mitigated by the 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.

## **Enfys Developments Limited**

### **Strategic Report for the Year Ended 31 December 2022 (continued)**

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

During the year, Enfys handed over a total of 233 new properties (2021: 256) and currently has 293 homes under construction (2021: 516).

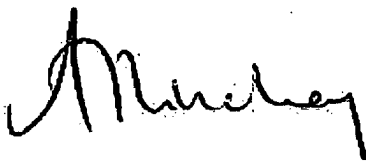
The results for the year show a turnover of £29.1 million (2021: £29.1 million). Turnover was expected to increase from the prior year, however conditions in the market such as competition, price inflation and availability of labour have resulted in a difficult operating environment, highlighted by the cessation of trade of a large contractor whilst on site, resulting in delays in property completion and therefore a reduced turnover for the year. There is continued demand from Wales & West Housing Association for the development of housing. Operating profit as a result increased to £372,486 (2021: £349,815). As in previous years, the profit will be gifted to the parent undertaking.

At 31 December 2022, Enfys has gross assets of £4.2 million (2021: £5.4 million).

#### **Future developments**

Enfys will continue with its current principal activities for the foreseeable future. It is anticipated that the volume of development will continue to increase during 2023.

Approved and authorised by the Board on 30 March 2023 and signed on its behalf by:



Mrs A K Hinchey

Director

## **Directors' Report for the Year Ended 31 December 2022**

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

### **Director of the company**

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

Mrs A K Hinchey

Mr A Stephenson

Mrs J M Davoile (appointed 14 July 2022)

Mr S A Hembrow

Mr S L Epps

Mr S T J Porter

### **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 30 March 2023 and signed on its behalf by:



Mrs A K Hinchey

Director

## **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.

## **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 2022, which comprise the Income Statement, Statement of Comprehensive Income, 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 2022 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 of 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.



**Independent Auditor's Report to the Members of Enfys Developments Limited (continued)**

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.

**Other Information**

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 6], 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.

**Independent Auditor's Report to the Members of Enfys Developments Limited (continued)**

**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.

**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 and tax legislation.
- We enquired of the Directors and reviewed meeting minutes for evidence of non-compliance with relevant laws and regulations.
- 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 was discussed within the audit team and tests were planned and performed to address these risks.
- 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.

**Independent Auditor's Report to the Members of Enfys Developments Limited (continued)**

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.

**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.



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

For and on behalf of Beever and Struthers, Statutory Auditor

Beever and Struthers  
The Colmore Building  
20 Colmore Circus  
Queensway  
Birmingham  
B4 6AT

Date: 26 April 2023

# Enrys Developments Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		29,113,926	29,131,474
Cost of sales		(28,699,223)	(28,739,551)
Gross profit		414,703	391,923
Administrative expenses		(42,217)	(42,108)
Operating profit	3	372,486	349,815
Other interest receivable and similar income	4	2,390	115
Interest payable and similar expenses	5	(87,299)	(61,500)
		(84,909)	(61,385)
Profit before tax		287,577	288,430
Profit for the financial year		287,577	288,430

The above results were derived from continuing operations.

Profit and total comprehensive income for the year is £287,577.

There was no other comprehensive income for the year.

The notes on pages 15 to 18 form an integral part of these financial statements.

**Enfys Developments Limited**  
**(Registration number: 08292315)**

**Statement of Financial Position as at 31 December 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Stocks	9	3,130,770	1,936,596
Debtors	10	733,986	615,710
Cash at bank and in hand		300,038	2,886,631
		<u>4,164,794</u>	<u>5,438,937</u>
<b>Creditors:</b> Amounts falling due within one year	12	(4,164,793)	(5,438,936)
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Shareholders' funds		<u>1</u>	<u>1</u>

Approved and authorised by the Board on 30 March 2023 and signed on its behalf by:



Mrs A K Hinchey

Director

-- The notes on pages 15 to 18 form an integral part of these financial statements.

## Enfys Developments Limited

### Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital	Profit and loss account	Total
	£	£	£
A 1 January 2022	1	-	1
Profit for the year	-	287,577	287,577
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	287,577	287,577
Gift aid distribution to parent	-	(287,577)	(287,577)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	1	-	1
	<hr/>	<hr/>	<hr/>

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2021	1	-	1
Profit for the year	-	288,430	288,430
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	288,430	288,430
Gift aid distribution to parent	-	(288,430)	(288,430)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	1	-	1
	<hr/>	<hr/>	<hr/>

The notes on pages 15 to 18 form an integral part of these financial statements.

## Enfys Developments Limited

### Statement of Cash Flows for the Year Ended 31 December 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		287,577	288,430
Adjustments to cash flows from non-cash items			
Finance income	4	(2,390)	(115)
Finance costs	5	87,299	61,500
		<u>372,486</u>	<u>349,815</u>
Working capital adjustments			
Decrease/(increase) in stocks	9	(1,194,174)	(462,264)
(Increase)/decrease in trade debtors	10	(118,276)	(320,494)
Decrease in trade creditors	12	(1,273,290)	251,727
Net cash inflow from operating activities		<u>(2,213,254)</u>	<u>(181,216)</u>
<b>Cash flows from investing activities</b>			
Interest received	4	<u>2,390</u>	<u>115</u>
<b>Cash flows from financing activities</b>			
Interest paid	5	(87,299)	(61,500)
Gift aid paid		(288,430)	(339,557)
Net cash flows from financing activities		<u>(375,729)</u>	<u>(401,057)</u>
Net decrease in cash and cash equivalents		(2,586,593)	(582,158)
Cash and cash equivalents at 1 January		2,886,631	3,468,789
Cash and cash equivalents at 31 December		<u>300,038</u>	<u>2,886,631</u>

The notes on pages 15 to 18 form an integral part of these financial statements.

# **Enfys Developments Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2022**

### **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 .....

### **2 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. 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.

#### **Turnover**

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



# Enfys Developments Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### Stocks

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

### 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. Profit donated to the parent charity are paid within nine months from the year end.

### 3 Operating profit

Arrived at after charging/(crediting):

	2022	2021
	£	£
Auditor's remuneration – audit of company's annual accounts	5,343	5,300

### 4 Other interest receivable and similar income

	2022	2021
	£	£
Interest income on bank deposits	2,390	115

### 5 Interest payable and other expenses

	2022	2021
	£	£
Interest payable on loans from group undertakings	87,299	61,500

### 6 Staff costs

There were no staff costs for the year ended 31 December 2022 (2021: nil).

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 7 Directors remuneration

The directors remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	-	-

### 8 Taxation

Tax charged/(credited) to the income statement

	2022	2021
	£	£
<b>Current taxation</b>		
UK Corporation tax	-	-

The tax on profit for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	287,577	288,430
Corporate tax at standard rate	54,640	54,802
Reduction to corporation tax charge due to Gift Aid	(54,640)	(54,802)
Total tax charge	-	-

### 9 Stocks

	2022	2021
	£	£
Work in progress	3,310,770	1,936,596

### 10 Debtors

	2022	2021
	£	£
Trade debtors	3,789	-
Amounts owed by related parties	325,201	462,644
Other debtors	404,996	153,066
	733,986	615,710

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 11 Cash and cash equivalents

	2022	2021
	£	£
Cash at bank	300,038	2,886,631

### 12 Creditors

	2022	2021
	£	£
<b>Due within one year</b>		
Trade creditors	-	20,197
Accruals	1,977,216	3,630,309
Amounts owed to group – gift aid	287,577	288,430
Amounts owed to group – loan	1,900,000	1,500,000
	4,164,793	5,438,936

### 13 Commitments

#### Other financial commitments

As at 31 December 2022, the company had contractual commitments with suppliers totalling £35,310,893 (2021: £35,140,058). 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 (2021: nil).

### 14 Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
<b>Cash and cash equivalents</b>			
Cash	2,886,631	(2,586,593)	300,038
	2,886,631	(2,586,593)	300,038

### 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.