

Company Registration No. 7463550 (England and Wales)

A7 DRAFFAN LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

A7 DRAFFAN LTD

COMPANY INFORMATION

Director	Mr A Hensher
Company number	7463550
Registered office	31a The Avenue Branksome Park Poole Dorset BH13 6LJ

A7 DRAFFAN LTD

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A7 DRAFFAN LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The director presents his annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of holding and managing long term leases on farms, where wind turbines are being built for the production of electricity.

Director

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

Mr A Hensher

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

On behalf of the board

Mr A Hensher

Director

16 March 2017

A7 DRAFFAN LTD

ACCOUNTING SERVICES FOR BUSINESS LIMITED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF A7 DRAFFAN LTD FOR THE YEAR ENDED 31 DECEMBER 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of A7 Draffan Ltd for the year ended 31 December 2016 set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

This report is made solely to the Board of Directors of A7 Draffan Ltd, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of A7 Draffan Ltd and state those matters that we have agreed to state to the Board of Directors of A7 Draffan Ltd, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than A7 Draffan Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that A7 Draffan Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of A7 Draffan Ltd. You consider that A7 Draffan Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of A7 Draffan Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Accounting Services for Business Limited
Tayfield House, 38 Poole Road, Westbourne,
Dorset, BH4 9DW

16 March 2017

A7 DRAFFAN LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	£
Turnover		60,584	35,399
Cost of sales		(66,628)	(45,587)
Gross loss		(6,044)	(10,188)
Administrative expenses		(3,624)	(4,241)
Operating loss	3	(9,668)	(14,429)
Profit/(loss) on disposal of operations			
Tax on loss		-	-
Loss for the financial year	10	(9,668)	(14,429)

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

A7 DRAFFAN LTD

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	5		71,473		80,355
Current assets					
Debtors	6	-		608	
Cash at bank and in hand		6,499		6,677	
		<u>6,499</u>		<u>7,285</u>	
Creditors: amounts falling due within one year	8	<u>720</u>		<u>720</u>	
Net current assets			5,779		6,565
Total assets less current liabilities			<u>77,252</u>		<u>86,920</u>
Creditors: amounts falling due after more than one year	8		(104,500)		(104,500)
Net liabilities			<u>(27,248)</u>		<u>(17,580)</u>
Capital and reserves					
Called up share capital	9		1,000		1,000
Profit and loss reserves	10		(28,248)		(18,580)
Total equity			<u>(27,248)</u>		<u>(17,580)</u>

A7 DRAFFAN LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16 March 2017

Signed on its behalf by:

Mr A Hensher

Director

Company Registration No. 7463550

A7 DRAFFAN LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

A7 Draffan Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is 31a The Avenue, Branksome Park, Poole, Dorset, BH13 6LJ.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.3 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.

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:

Land and buildings Leasehold	4% Straight Line Basis
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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 recognised in the profit and loss account.

1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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.

A7 DRAFFAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded for contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Bank interest accruing on capital borrowed to fund the production of long term contracts is carried forward within long term contract balances.

1.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial assets

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 assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Other financial liabilities

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.8 Equity instruments

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

A7 DRAFFAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

1.9 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

3 Operating loss

2016	2015
£	£

Operating loss for the year is stated after charging/(crediting):

Depreciation of owned tangible fixed assets	2,838	3,477
Loss on disposal of intangible assets	-	-
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 1

A7 DRAFFAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets

	Land and buildings £
Cost	
At 1 January 2016	87,263
Disposals	(6,044)
At 31 December 2016	81,219
Depreciation and impairment	
At 1 January 2016	6,908
Depreciation charged in the year	2,838
At 31 December 2016	9,746
Carrying amount	
At 31 December 2016	71,473
At 31 December 2015	80,355

6 Debtors

	Due within one year	
	2016 £	2015 £
Other debtors	-	608

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

7 Loans and overdrafts

	2016 £	2015 £
Directors' loans	104,500	104,500

8 Creditors

	Due within one year		Due after one year	
Notes	2016 £	2015 £	2016 £	2015 £
Loans and overdrafts	-	-	104,500	104,500
Other creditors	720	720	-	-
	720	720	104,500	104,500

A7 DRAFFAN LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9	Share capital	2016	2015
		£	£
	Ordinary share capital		
	Issued and fully paid		
	1,000 Ordinary Shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>
10	Retained earnings	2016	2015
		£	£
	At beginning of year	(18,580)	(4,151)
	Loss for the year	(9,668)	(14,429)
		<u> </u>	<u> </u>
	At end of year	(28,248)	(18,580)
		<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.