

Company Registration No. 00076344 (England and Wales)

PUGH DAVIES & COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021
PAGES FOR FILING WITH REGISTRAR

PUGH DAVIES & COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr A J Joseph Mr J M Joseph Ms S C Joseph
Secretary	Mr I P Stoner
Company number	00076344
Registered office	1st Floor Cloister House Riverside, New Bailey Street Manchester M3 5FS
Auditor	Lopian Gross Barnett & Co 1st Floor, Cloister House Riverside New Bailey Street Manchester M3 5FS
Business address	1 Tabley Mews Off Stamford Street ALTRINCHAM WA14 1DA
Bankers	National Westminster Bank plc Spinningfields Square 182 Deansgate Manchester M3 3LY

PUGH DAVIES & COMPANY LIMITED

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PUGH DAVIES & COMPANY LIMITED

BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	3		192,963		202,998
Investments	4		211		211
			<u>193,174</u>		<u>203,209</u>
Current assets					
Debtors	5	3,542,020		3,719,232	
Cash at bank and in hand		4,345		10,013	
		<u>3,546,365</u>		<u>3,729,245</u>	
Creditors: amounts falling due within one year	6	<u>(86,702)</u>		<u>(107,517)</u>	
Net current assets			3,459,663		3,621,728
Total assets less current liabilities			<u>3,652,837</u>		<u>3,824,937</u>
Capital and reserves					
Called up share capital	7		138,401		138,401
Share premium account			14,723		14,723
Profit and loss reserves			3,499,713		3,671,813
Total equity			<u>3,652,837</u>		<u>3,824,937</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered 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 5 January 2022 and are signed on its behalf by:

Mr J M Joseph
Director

Company Registration No. 00076344

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

Company information

Pugh Davies & Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, Cloister House, Riverside, New Bailey Street, Manchester, M3 5FS.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 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 represents amounts receivable in respect of management fees charged to related companies. An amount of £867,000 (2020: £867,000) was charged to group undertakings.

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 Freehold	2% Straight line
Fixtures, fittings & equipment	25% - 33.33% Reducing balance
Motor vehicles	25% Reducing balance

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.

1.4 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.

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

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

1.5 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.

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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.7 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.

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 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.

1.9 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.

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

1 Accounting policies

(Continued)

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

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

	2021 Number	2020 Number
Total	5	5

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 May 2020 and 30 April 2021	303,675	40,373	344,048
Depreciation and impairment			
At 1 May 2020	115,343	25,707	141,050
Depreciation charged in the year	6,072	3,963	10,035
At 30 April 2021	121,415	29,670	151,085
Carrying amount			
At 30 April 2021	182,260	10,703	192,963
At 30 April 2020	188,332	14,666	202,998

The fair value of the property has been arrived at on the basis of a valuation carried out by the directors who have extensive experience within the commercial property sector. The directors valuation is based on past valuations performed by professionally qualified experts, knowledge of the market and analysing yields. The company considered the previous year's valuation, the state of the market and the impact of Covid-19 to determine the fair value of the property. The directors believe that the previous year's valuation remained appropriate as at 30 April 2021. The directors note due to the impact of Covid-19 there is an unavoidable uncertainty in relation to the valuation of the property.

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

4 Fixed asset investments

	2021	2020
	£	£
Shares in group undertakings and participating interests	211	211
	<u>211</u>	<u>211</u>

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	3,485,853	3,669,693
Other debtors	56,167	49,539
	<u>3,542,020</u>	<u>3,719,232</u>

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	13,814	19,903
Corporation tax	31,866	35,150
Other taxation and social security	25,182	23,874
Other creditors	15,840	28,590
	<u>86,702</u>	<u>107,517</u>

7 Called up share capital

	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
6,802 Ordinary shares of 50p each	3,401	3,401
	<u>3,401</u>	<u>3,401</u>
Preference share capital		
Issued and fully paid		
150,000 Non-cumulative participating preference shares of 90p each	135,000	135,000
	<u>135,000</u>	<u>135,000</u>

PUGH DAVIES & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter - valuation of investment properties

We draw your attention to the fixed asset note in the financial statements which describes the valuations determined by the directors in arriving at the fair values of its fixed assets as at 30 April 2021. Given that state of the market and taking into account any Covid-19 impact, there is material uncertainty in respect of any impact these factors may have on valuations. The directors remain confident that the 30 April 2021 valuations remain appropriate.

Our opinion is not modified in respect of this matter.

The senior statutory auditor was Jason Selig BA ACA CTA DChA and the auditor was Lopian Gross Barnett & Co.

9 Related party transactions

There were no related party transactions outside the normal course of business.

10 Covid-19

The directors have closely monitored the Government guidance in response to the Covid-19 Pandemic and have implemented measures in line with the Governmental guidelines. The directors have assessed the impact of Covid-19 on the company and conclude that there are no items resulting from the Covid-19 Pandemic which require disclosure at the balance sheet date.

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.