

**Petchey (Holdings) Limited**

Report and Financial Statements

Year Ended

31 December 2020

Company Number 00688450

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# **Petchey (Holdings) Limited**

**Report and financial statements  
for the year ended 31 December 2020**

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## **Contents**

### **Page:**

1	Directors' report
3	Independent auditor's report
6	Statement of comprehensive income
7	Statement of financial position
8	Notes forming part of the financial statements

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## **Directors**

S McClure  
J Newland

## **Secretary and registered office**

S McClure, Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ

## **Company number**

00688450

## **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **Petchey (Holdings) Limited**

## **Directors' report for the year ended 31 December 2020**

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The directors present their report together with the audited financial statements for the year ended 31 December 2020.

The directors' report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

### **Results**

The statement of comprehensive income is set out on page 6 and shows the profit for the year.

During the year the company made charitable donations of £Nil (2019 - £50).

### **Principal activities**

The principal activities of the company throughout the year was provision of management services.

### **Directors**

The directors of the company during the year were:

S McClure  
J Newland

### **Directors' responsibilities**

The directors are responsible for preparing the directors' 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 company 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;
- 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.

# Petchey (Holdings) Limited

## Directors' report for the year ended 31 December 2020 (continued)

### Auditors

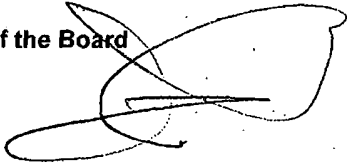
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

In preparing this report the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Board

S McClure



Director

Date

29<sup>th</sup> September 2021

# Petchey (Holdings) Limited

## Independent Auditor's Report to the Members of Petchey Holdings Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

We have audited the financial statements of Petchey Holdings Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position 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).

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remain 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.

### 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.

## **Petchey (Holdings) Limited**

### **Independent Auditor's Report to the Members of Petchey Holdings Limited (continued)**

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#### **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. 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.

#### **Other Companies Act 2006 reporting**

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

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

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 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small company's regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, 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.

# Petchey (Holdings) Limited

## Independent Auditor's Report to the Members of Petchey Holdings Limited (continued)

### 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.

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

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the industry in which it operates and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud.
- We considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.
- Our tests included: agreeing the financial statement disclosures to underlying supporting documentation, where relevant reviewing Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. Challenging assumptions and judgements made by management in their significant accounting estimates. Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:  
A

Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date: 30 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Petchey (Holdings) Limited

### Statement of comprehensive income for the year ended 31 December 2020

	Note	Total 2020 £	Total 2019 £
<b>Turnover</b>	2	12,880,969	8,458,007
Government Grant in respect of UK Furlough Scheme		51,117	-
Administrative expenses		(11,468,833)	(7,780,256)
Donations		-	(50)
<b>Operating profit and profit on ordinary activities before taxation</b>	5	1,463,253	677,701
Taxation charge on profit from ordinary activities	6	(95,513)	(16,334)
<b>Profit on ordinary activities after taxation and total comprehensive income for the year</b>		1,367,740	661,367

All of the above relate to continuing activities.

The notes on pages 8 to 15 form part of these financial statements.



# Petchey (Holdings) Limited

## Statement of financial position at 31 December 2020

Company number 00688450	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	7		78,947		118,069
Investments	8		691,000		901,000
			<u>769,947</u>		<u>1,019,069</u>
<b>Current assets</b>					
Debtors	9	19,640,789		18,903,592	
Cash at bank and in hand		179,112		87,816	
		<u>19,819,901</u>		<u>18,991,408</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(16,426,887)</u>		<u>(17,215,256)</u>	
<b>Net current assets</b>			<u>3,393,014</u>		<u>1,776,152</u>
<b>Total assets less current liabilities</b>			<u>4,162,961</u>		<u>2,795,221</u>
<b>Capital and reserves</b>					
Called up share capital	13		12,575		12,575
Profit and loss account	14		4,150,386		2,782,646
<b>Shareholders' funds</b>			<u>4,162,961</u>		<u>2,795,221</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on

22/01/2021

S McClure  
Director

The notes on pages 8 to 15 form part of these financial statements.

# Petchey (Holdings) Limited

## Notes forming part of the financial statements for the year ended 31 December 2020

### 1 Accounting policies

Petchey (Holdings) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

#### *Basis of measurement*

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

#### *Going Concern*

The directors have prepared the financial statements on a going concern basis. The company provides administration services to all of the group companies, all of which are independently going concerns. In addition to this the company has received confirmation from IHL Property Holdings Ltd and Petchey Industrial Holdings Ltd that they will not recall the amounts owed to them for the duration of the going concern period if the company is not in a position to repay the loans. Accordingly, the directors are satisfied that they are not aware of any material uncertainties that may cast significant doubt over the company's ability to continue as a going concern.

#### *Turnover*

Turnover represents amounts receivable for services provided net of VAT.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	20% - 33.3% straight line per annum
Motor vehicles	-	25% straight line per annum

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and

#### *Investments*

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

# Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 1 Accounting policies (continued)

### Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represent cumulative profits or losses, net of dividends paid and other adjustments.

## 2 Turnover

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

## 3 Employees

	2020 £	2019 £
Staff costs consist of:		
Wages and salaries	9,271,304	6,325,163
Social security costs	1,267,332	832,032
Pension	285,613	-
	<u>10,824,249</u>	<u>7,157,195</u>

The average monthly number of employees (including directors) during the year was:

	Number	Number
Administration	<u>24</u>	<u>22</u>

## 4 Directors

	2020 £	2019 £
Remuneration	1,109,693	632,724
Pension	34,320	-
	<u>1,144,013</u>	<u>632,724</u>
Emoluments disclosed above include amounts paid to:		
The highest paid director	<u>675,112</u>	<u>317,453</u>

# Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 5 Operating profit

	2020 £	2019 £
This has been arrived at after charging:		
Depreciation of tangible assets	48,632	49,298
Audit of the company's financial statements	8,750	11,000
Tax compliance	1,595	2,245
	<u>          </u>	<u>          </u>

## 6 Taxation on profit from ordinary activities

	2020 £	2019 £
<i>UK corporation tax</i>		
Tax charge for the year at 19.00% (2019 - 19.00%)	95,000	-
Adjustment in respect of prior years	-	6,528
	<u>          </u>	<u>          </u>
Total current tax charge	95,000	6,528
	<u>          </u>	<u>          </u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	6,119	9,806
Effect of tax rate change on opening balance	(5,606)	-
	<u>          </u>	<u>          </u>
Total deferred tax charge	513	9,806
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	95,513	16,334
	<u>          </u>	<u>          </u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	1,463,253	677,701
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	278,018	128,762
Effects of:		
Non-deductible expenses	49,258	24,151
Group relief claimed	(226,157)	(141,953)
Adjustments to opening/closing deferred tax	-	(1,154)
Adjustments to tax charge in respect of prior periods deferred tax	-	-
Adjustments to tax charge in respect of prior periods current tax	-	6,528
Remeasurement of deferred tax for changes in tax rates	(5,606)	-
	<u>          </u>	<u>          </u>
Total tax charge for the year	95,513	16,334
	<u>          </u>	<u>          </u>

# Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 7 Tangible assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2020	824,915
Additions	9,509
	<hr/>
At 31 December 2020	<b>834,424</b>
	<hr/>
Depreciation	
At 1 January 2020	706,845
Charge for the year	48,632
	<hr/>
At 31 December 2020	<b>755,477</b>
	<hr/>
Net book value	
At 31 December 2020	<b>78,947</b>
	<hr/>
At 31 December 2019	<b>118,069</b>
	<hr/>

## 8 Fixed asset investments

	Shares in subsidiary undertakings £	Shares in joint ventures £	Total £
Cost			
At 1 January 2020	1,000	900,000	901,000
Impairment in the year	-	(210,000)	(210,000)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	<b>1,000</b>	<b>690,000</b>	<b>690,000</b>
	<hr/>	<hr/>	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

At 31 December 2020 the company owned 100% of the issued ordinary share capital of City Living (London) Limited, which is incorporated in England and Wales. The principal activity of City Living (London) Limited is the provision of property management services on an agency basis. The registered office of the company is Dockmaster's House, 1 Hertsmer Road, London, E14 8JJ.

At 31 December 2020 the company owned 75% of issued ordinary share capital of SUSD Victoria Avenue Limited, which is incorporated in England and Wales. The principal activity of SUSD Victoria Avenue Limited is property development. The registered office of the company is 28 All Saints Road, London, W11 1HG.

## Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)

### 9 Debtors

	2020 £	2019 £
Other debtors	3,977	2,404
Amounts owed by group undertakings (note 15)	19,572,328	17,933,111
Prepayments and accrued income	64,484	920,423
Deferred tax asset	-	47,654
	<u>19,640,789</u>	<u>18,903,592</u>

Included with amounts owed by group undertakings are £12,500,000 (2019: £12,500,000) that are due after more than one year.

The deferred tax asset arises in respect of timing differences.

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

	2020 £	2019 £
Trade creditors	26,665	34,652
Amounts owed to group undertakings (note 15)	14,577,760	15,886,730
Taxes and social security costs	1,719,078	1,184,926
Other creditors	37,820	70,349
Accruals and deferred income	17,773	38,598
Deferred tax liability (see note 12)	47,791	-
	<u>16,426,887</u>	<u>17,215,255</u>

### 11 Financial instruments

The company's financial instruments may be analysed as follows:

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>19,755,417</u>	<u>18,889,070</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>14,660,018</u>	<u>16,030,330</u>

# Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 12 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2020 £
At 1 January 2020	47,654
Profit and loss account	(95,513)
Adjustments to tax charge in respect of previous periods	68
	<hr/>
At 31 December 2020	47,791

	2020 £	2019 £
Decelerated capital allowances	47,791	47,654
	<hr/>	<hr/>

## 13 Share capital

	Allotted, called up and fully paid		
	2020 Number	2019 Number	2020 £
Ordinary shares of 5p each	2,000	2,000	100
	<hr/>	<hr/>	<hr/>

	Allotted, called up and 1.25p partly paid		
	2020 Number	2019 Number	2020 £
Ordinary shares of 5p each	998,000	998,000	12,475
	<hr/>	<hr/>	<hr/>

## 14 Reserves

	Profit and loss account £
At 1 January 2020	2,782,646
Profit for the year	1,367,740
	<hr/>
At 31 December 2020	4,150,386

# Petchey (Holdings) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2020 (continued)

## 15 Related party transactions

The company invoiced fees for services provided to the following companies which are related parties due to common ownership by Bulgham Charitable Trust, the ultimate parent entity.

	2020 £	2019 £
Blackcap Limited	19,320	24,895
Brookhurst Limited	19,320	24,895
Petchey Residential Limited	837,206	553,029
Petchey Investments Limited	516,472	1,032,473
Crystalform Limited	11,970	24,895
Central Developments Limited	19,320	24,895
Hawkside Limited	19,320	24,895
Petchey Industrial Holdings Limited	2,448,486	1,032,473
Incorporated Holdings Limited	922,215	357,424
Petchey Industrial Properties No 1 Limited	1,031,676	1,032,473
Petchey Industrial Properties No 2 Limited	2,448,486	1,032,473
Petchey Industrial Properties No 3 Limited	1,031,676	1,032,473
Petchey Industrial Properties No 4 Limited	902,875	1,032,473
Petchey Industrial Properties No 5 Limited	2,448,486	1,032,473
Watford Holdings Limited	19,320	24,895
Tolink Ltd	-	-
City Living Limited	-	-
	<b>12,696,149</b>	<b>8,287,134</b>

Amounts owed from these companies at the year end:

Tolink Limited	12,500,000	12,500,000
Blackcap Limited	1,621	-
Brookhurst Limited	1,621	-
Central Developments Limited	1,621	-
Hawkside Limited	1,621	-
Petchey Investments Limited	954,270	2,206,683
Petchey Industrial No 1 Limited	433,399	70
Petchey Industrial No 2 Limited	1,848,081	593,184
Petchey Industrial No 3 Limited	427,639	-
Petchey Industrial No 4 Limited	915,003	1,608,944
Petchey Industrial No 5 Limited	1,844,450	587,165
City Living Limited	129,827	121,787
Petchey Residential Limited	511,552	315,278
Watford Holdings Limited	1,621	-

Amounts owed from group undertakings

**19,572,326**      **17,933,111**

Amounts owed to these companies at the year end:

Petchey Industrial Holdings Limited	2,310,935	2,469,443
IHL Property Holdings Limited	12,266,825	13,417,288

Amounts owed to group undertakings

**14,577,760**      **15,886,731**



## **Petchey (Holdings) Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2020 (*continued*)**

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### **16 Control**

At 31 December 2020, 100% of the shares of Petchey (Holdings) Limited were owned by IHL Property Holdings Limited, a company incorporated in the Isle of Man, which is itself owned by the Bulgham Charitable Trust, an Isle of Man discretionary trust, exclusively for the benefit of charitable beneficiaries.

The trustees of the Bulgham Charitable Trust are St Marks Associates Ltd and St James' Trustees Limited.