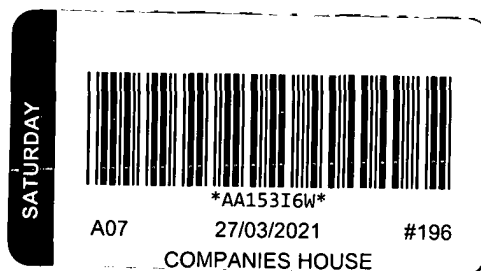


Paul Davies Limited

Registered number: 01414095

Information for filing with the Registrar

For the year ended 30 June 2020



STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	23,497	24,718
		<u>23,497</u>	<u>24,718</u>
Current assets			
Stocks		4,185,955	6,964,929
Debtors: amounts falling due within one year	5	716,926	250,513
Cash at bank and in hand		32,447	-
		<u>4,935,328</u>	<u>7,215,442</u>
Creditors: amounts falling due within one year	6	(4,560,780)	(6,862,128)
Net current assets		<u>374,548</u>	<u>353,314</u>
Total assets less current liabilities		<u>398,045</u>	<u>378,032</u>
Net assets		<u><u>398,045</u></u>	<u><u>378,032</u></u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	397,045	377,032
		<u>398,045</u>	<u>378,032</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.


The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

PAUL DAVIES LIMITED
REGISTERED NUMBER: 01414095

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

20 March 2021


P N R Davies
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. General information

Paul Davies Limited ("the Company") is a private company, limited by shares, registered in in England and Wales.

Its registered number is 01414095 and its registered office is C/O Mazars LLP 5th Floor, 3 Wellington Place, Leeds LS1 4AP. The principle activity is the wholesale of metals and metal ores.

The financial statements have been presented in pound sterling which is the functional currency of the company, and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has adopted the triennial review of FRS102 effective for periods commencing on or after 1 January 2019.

Information in respect of the difference from the previous accounting framework are detailed within Note 10.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern.

Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements. The going concern will not be affected by the COVID-19 situation as confirmed by the directors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance
Office equipment	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2019 - 4).

PAUL DAVIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

4. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation				
At 1 July 2019	27,561	31,473	14,864	73,898
Additions	-	519	7,147	7,666
Disposals	-	-	(12,140)	(12,140)
At 30 June 2020	27,561	31,992	9,871	69,424
Depreciation				
At 1 July 2019	7,321	31,057	10,802	49,180
Charge for the year on owned assets	5,060	147	1,219	6,426
Disposals	-	-	(9,679)	(9,679)
At 30 June 2020	12,381	31,204	2,342	45,927
Net book value				
At 30 June 2020	15,180	788	7,529	23,497
At 30 June 2019	20,240	416	4,062	24,718

5. Debtors

	2020 £	2019 £
Trade debtors	687,988	246,533
Other debtors	4,200	-
Prepayments and accrued income	24,738	3,980
	716,926	250,513

PAUL DAVIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

6. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank overdrafts	-	160,739
Trade creditors	21,373	889,631
Corporation tax	567,619	479,458
Other taxation and social security	21,523	9,321
Other creditors	3,394,436	4,676,528
Accruals and deferred income	555,829	646,451
	<u>4,560,780</u>	<u>6,862,128</u>

7. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
800 (2019 - 800) A Ordinary shares of £1.00 each	800	800
200 (2019 - 200) B Ordinary shares of £1.00 each	200	200
	<u>1,000</u>	<u>1,000</u>

8. Reserves

Profit & loss account

The profit and loss account reserve represents cumulative profits and losses made by the company to date less dividends distributed to shareholders.

9. Related party transactions

The company is controlled by the directors, Mr P N R Davies and Mrs C L Davies who together hold 80% of the issued share capital.

Remuneration of £48,000 (2019 - £48,000) was paid to each of the directors in the year.
Dividends of £1,150,000 (2019 - £950,000) were paid to each of the directors in the year.
Interest of £91,262 (2019 - £69,273) was payable to each of the directors in respect of credit balances on directors' loan accounts in the year. Interest charged at a rate of 4.75% (2019 - 4.5% to August 2018 4.75% to June 2019).

At the balance sheet date £1,653,304 (2019 - £2,338,264) was owed to each of the directors.

PAUL DAVIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

10. Adoption of the triennial review of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to the triennial review of FRS 102 and have not impacted on equity or profit or loss.