

PCAL Properties Limited

Unaudited Report and Financial Statements

Year Ended

31 May 2020

Company Number 03444266



PCAL Properties Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of PCAL Properties Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of PCAL Properties Limited for the year ended 31 May 2020 which comprise the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>

It is your duty to ensure that PCAL Properties Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of PCAL Properties Limited. You consider that PCAL Properties Limited 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 PCAL Properties Limited. 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 accounts.

Use of our report

This report is made solely to the board of directors of PCAL Properties Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of PCAL Properties Limited and state those matters that we have agreed to state to the board of directors of PCAL Properties Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PCAL Properties Limited and its board of directors as a body for our work or for this report.

BDO LLP

BDO LLP
London
United Kingdom

Date: 25.05.2020

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

PCAL Properties Limited
Registered number: 03444266

Statement of Financial Position
As at 31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	5	6,940	8,079
Investment property	6	2,571,000	2,571,000
		<u>2,577,940</u>	<u>2,579,079</u>
Current assets			
Debtors: amounts falling due within one year	7	900	900
Cash at bank and in hand	8	38,032	8,092
		<u>38,932</u>	<u>8,992</u>
Creditors: amounts falling due within one year	9	(12,870)	(4,000)
Net current assets		<u>26,062</u>	<u>4,992</u>
Total assets less current liabilities		<u>2,604,002</u>	<u>2,584,071</u>
Creditors: amounts falling due after more than one year	10	(1,066,539)	(1,082,472)
Provisions for liabilities			
Deferred tax	12	(25,044)	(18,130)
		<u>(25,044)</u>	<u>(18,130)</u>
Net assets		<u><u>1,512,419</u></u>	<u><u>1,483,469</u></u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		1,512,417	1,483,467
		<u><u>1,512,419</u></u>	<u><u>1,483,469</u></u>

PCAL Properties Limited
Registered number:03444266

Statement of Financial Position (continued)
As at 31 May 2020

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.

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


P H Friend
Director

Date: 23/5/21

The notes on pages 5 to 11 form part of these financial statements.

PCAL Properties Limited

Statement of Changes in Equity For the Year Ended 31 May 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2019	2	1,483,467	1,483,469
Comprehensive income for the year			
Profit for the year	-	28,950	28,950
At 31 May 2020	2	1,512,417	1,512,419

The notes on pages 5 to 11 form part of these financial statements.

Statement of Changes in Equity For the Year Ended 31 May 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2018	2	1,452,715	1,452,717
Comprehensive income for the year			
Profit for the year	-	30,752	30,752
At 31 May 2019	2	1,483,467	1,483,469

The notes on pages 5 to 11 form part of these financial statements.

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

1. General information

These financial statements are presented in Great British Pounds (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the individual private Company for the year ended 31 May 2020.

The Company has determined that the pound is the functional currency as this is the currency of the economic environment in which the Company predominantly operates.

The principal activity of the Company is to invest in rental properties.

The Company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 55 Baker Street, London, W1U 7EU.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company. The directors are continually reviewing plans and forecasts and believe that the going concern basis is appropriate.

The creditor falling due in more than one year represents amounts due to P H Friend and C M Friend, directors and shareholders of the company. The purpose of these loans were to finance the investment property purchases of the company. The directors have confirmed that it is not their intention to demand repayment of their loans within one year of the balance sheet date.

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

2. Accounting policies (continued)

2.3 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

2.4 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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10% straight line
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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.

2.5 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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.

2.8 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.

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 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.

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.

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Investment properties:

The Company's investment properties are measured at fair value. The valuation was carried out by the directors. The directors have used observable market prices, which can fluctuate upwards as well as downwards and have been adjusted, as necessary, for any difference in the condition of the asset.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2019 - 2).

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 June 2019	16,827
At 31 May 2020	16,827
Depreciation	
At 1 June 2019	8,748
Charge for the year	1,139
At 31 May 2020	9,887
Net book value	
At 31 May 2020	6,940
At 31 May 2019	8,079

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

6. Investment property

	Long term leasehold investment property £
Valuation	
At 1 June 2019	2,571,000
At 31 May 2020	<u>2,571,000</u>

The 2020 valuations were made by the directors, on an open market value for existing use basis.

7. Debtors

	2020 £	2019 £
Trade debtors	<u>900</u>	<u>900</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>38,032</u>	<u>8,092</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Corporation tax	9,020	-
Accruals and deferred income	<u>3,850</u>	<u>4,000</u>

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

10. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	1,066,539	1,082,472
	<u>1,066,539</u>	<u>1,082,472</u>

11. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	38,032	8,092
	<u>38,032</u>	<u>8,092</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

12. Deferred taxation

	2020 £	2019 £
At beginning of year	(18,130)	(18,130)
Charge in the year	(6,914)	-
At end of year	<u>(25,044)</u>	<u>(18,130)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
On revaluation of property	25,349	18,130
Fixed asset timing differences	(305)	-
	<u>25,044</u>	<u>18,130</u>

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

PCAL Properties Limited

Notes to the Financial Statements For the Year Ended 31 May 2020

14. Related party transactions

The creditor falling due in more than one year represents amounts due to P H Friend and C M Friend, directors and shareholders of the company. The purpose of these loans were to finance the investment property purchases of the company. The directors have confirmed that it is not their intention to demand repayment of their loans within one year of the balance sheet date.

Interest is charged at 3% on the balance owed to C M Friend - £15,998 (2019: £14,625). No interest was charged on the amount owing to P H Friend (2019: £Nil).

The total loan balance outstanding at the year end was £1,066,539 (2019: £1,082,472).

15. Controlling party

The directors do not consider there to be a single ultimate controlling party.