

Registered number: 02879173

PAULEY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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PAULEY LIMITED
REGISTERED NUMBER: 02879173

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	120,742	94,007
Investments	6	1	1
		<u>120,743</u>	<u>94,008</u>
Current assets			
Debtors: amounts falling due within one year	7	305,499	351,540
Cash at bank and in hand	8	2	2
		<u>305,501</u>	<u>351,542</u>
Creditors: amounts falling due within one year	9	(570,592)	(566,760)
Net current liabilities		<u>(265,091)</u>	<u>(215,218)</u>
Total assets less current liabilities		<u>(144,348)</u>	<u>(121,210)</u>
Creditors: amounts falling due after more than one year	10	(38,199)	(29,004)
Provisions for liabilities			
Deferred tax	12	(10,570)	(8,919)
		<u>(10,570)</u>	<u>(8,919)</u>
Net liabilities		<u>(193,117)</u>	<u>(159,133)</u>
Capital and reserves			
Called up share capital		120,100	120,100
Profit and loss account		(313,217)	(279,233)
		<u>(193,117)</u>	<u>(159,133)</u>

PAULEY LIMITED
REGISTERED NUMBER: 02879173

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2019

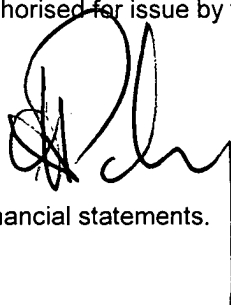
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 income and retained earnings 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 on
28 April 2020

A Pauley
Director



The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. General information

Pauley Limited is a private company limited by shares incorporated in England. The address of its registered office and principal place of business is The Annexe, Broughton Manor, Broughton, Milton Keynes, MK10 9AA.

The principal activity of the Company has continued to be that of building contractors. The directors are satisfied with the state of the Company.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

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 following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Pauley Group Limited as at 31 July 2019 and these financial statements may be obtained from Registrar of Companies, Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. On 23 March 2020 the UK Government announced a period of lockdown as part of its response to the COVID-19 pandemic.

In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact

The Company continues to be dependent on the support of the ultimate parent company, Pauley Group Limited, and its subsidiaries. The Directors of Pauley Group Limited have confirmed that the company will continue to provide such support for the foreseeable future.

The Company is a member of the Pauley Group of companies and the directors consider that the group is well placed to manage its business risks successfully.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty arising from the COVID-19 pandemic and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.4 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet 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 Balance Sheet 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 balance sheet 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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 10 years on cost
Motor vehicles	- Over 4 years on cost
Fixtures and fittings	- 3 to 10 years on cost

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 the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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 non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Auditors' remuneration

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 4).

PAULEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 August 2018	54,795	104,984	10,018	169,797
Additions	20,149	34,743	-	54,892
At 31 July 2019	<u>74,944</u>	<u>139,727</u>	<u>10,018</u>	<u>224,689</u>
Depreciation				
At 1 August 2018	21,080	45,562	9,148	75,790
Charge for the year on owned assets	5,001	22,506	650	28,157
At 31 July 2019	<u>26,081</u>	<u>68,068</u>	<u>9,798</u>	<u>103,947</u>
Net book value				
At 31 July 2019	<u>48,863</u>	<u>71,659</u>	<u>220</u>	<u>120,742</u>
At 31 July 2018	<u>33,715</u>	<u>59,422</u>	<u>870</u>	<u>94,007</u>

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

5. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	20,584	23,560
Motor vehicles	60,956	51,396
	<u>81,540</u>	<u>74,956</u>

6. Fixed asset investments

	Trade investments £
At 1 August 2018	<u>1</u>

The company owns 100% of the issued ordinary share capital of Pauley Plant Limited, which has not traded during the financial year and has net assets of £1,300 (2018 - £1,300).

7. Debtors

	2019 £	2018 £
Trade debtors	245,283	114,525
Amounts owed by group undertakings	11,650	12,315
Other debtors	43,192	190,124
Prepayments and accrued income	2,614	2,769
Amounts recoverable on long term contracts	2,760	31,807
	<u>305,499</u>	<u>351,540</u>

PAULEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	2	2
Less: bank overdrafts	(146,818)	(332,511)
	<u>(146,816)</u>	<u>(332,509)</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	146,818	332,511
Trade creditors	251,082	134,237
Amounts owed to group undertakings	85,431	-
Corporation tax	-	3,514
Other taxation and social security	-	8,174
Obligations under finance lease and hire purchase contracts	20,004	16,947
Other creditors	11,221	10,774
Accruals and deferred income	56,036	60,603
	<u>570,592</u>	<u>566,760</u>

The bank overdraft is secured by a cross guarantee amongst all the companies in the Pauley Group Limited.

Hire purchase contracts are secured on the assets to which they relate.

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>38,199</u>	<u>29,004</u>

Hire purchase contracts are secured on the assets to which they relate.

PAULEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	20,004	16,947
More than one year	38,199	29,004
	<u>58,203</u>	<u>45,951</u>

12. Deferred taxation

	2019 £	2018 £
At beginning of year	8,919	6,706
Charged to the profit or loss	1,651	2,213
At end of year	<u>(10,570)</u>	<u>(8,919)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>10,570</u>	<u>8,919</u>

13. Commitments under operating leases

At 31 July 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	<u>-</u>	<u>231</u>

14. Transactions with directors

Included within debtors is a balance of £15,950 (2018 - £185,652) owed by A Pauley, a director. During the year A Pauley was advanced amounts of £18,439 (2018 - £160,448) The maximum outstanding balance during the year was £185,652 (2018 - £176,476). No interest is being charged on this balance and it is repayable on demand.

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 102 not to disclose transactions with wholly owned subsidiaries within the group.

During the year Pauley Limited made sales of £203,073 (2018 - £186,170) to a fellow subsidiary. At the year end the Company was owed £78,320 (2018 - £97,747) by the fellow subsidiary.

At the year end N Pauley, a close family member of the directors, owed the company £Nil (2018 - £2,347) which has been provided for.

H A Pauley, a company director, has provided a personal guarantee of £5,500,000 in respect of the Group bank loan facility, supported by a legal charge of part of the Group's land and buildings, including Broughton Manor Preparatory School.

A composite bank agreement is in force as at 31 July 2019, under which Pauley Limited is jointly liable for any bank liabilities incurred within Pauley Group Limited, along with all other group companies within this agreement. The total liability outstanding as at 31 July 2019 was £6,932,434 (2018 - £7,295,153).

16. Controlling party

The ultimate parent company is Pauley Group Limited. In the opinion of the directors there is no ultimate controlling party of the parent company.

The consolidated accounts of the Group are available from the Registrar of Companies, Companies House.

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 July 2019 was unqualified.

The audit report was signed on *29 April 2020* by Simon Knibbs MA FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.