

Registered number: 02879173

PAULEY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021



PAULEY LIMITED
REGISTERED NUMBER: 02879173

BALANCE SHEET
AS AT 31 JULY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	89,125	90,863
Investments	6	1	1
		<u>89,126</u>	<u>90,864</u>
Current assets			
Debtors: amounts falling due within one year	7	210,861	193,645
Cash at bank and in hand	8	2	2
		<u>210,863</u>	<u>193,647</u>
Creditors: amounts falling due within one year	9	(523,837)	(557,424)
Net current liabilities		<u>(312,974)</u>	<u>(363,777)</u>
Total assets less current liabilities		<u>(223,848)</u>	<u>(272,913)</u>
Creditors: amounts falling due after more than one year	10	(12,436)	(17,406)
Provisions for liabilities			
Deferred tax	12	(10,726)	(10,570)
		<u>(10,726)</u>	<u>(10,570)</u>
Net liabilities		<u>(247,010)</u>	<u>(300,889)</u>
Capital and reserves			
Called up share capital		120,100	120,100
Profit and loss account		(367,110)	(420,989)
		<u>(247,010)</u>	<u>(300,889)</u>

PAULEY LIMITED
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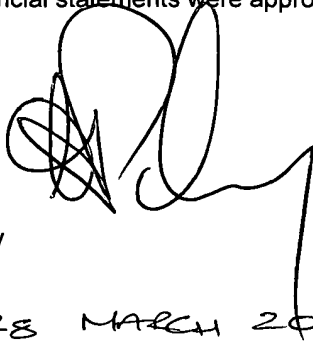
BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021

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 by:

A handwritten signature in black ink, appearing to be 'A Pauley', written over a vertical line that extends downwards from the signature area.

A Pauley
Director

Date: 28 MARCH 2022

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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 11 Financial Instruments paragraphs 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 2021 and these financial statements may be obtained from Registrar of Companies, Companies House.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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 4 January 2021 the UK Government announced a period of lockdown as part of its ongoing 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.

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:

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 profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.6 Borrowing costs

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

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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 profit or loss.

2.10 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.

2.11 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.

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.

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.

PAULEY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2020 - 4).

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 August 2020	80,248	119,538	10,018	209,804
Additions	10,698	18,500	-	29,198
Disposals	-	(8,000)	-	(8,000)
At 31 July 2021	<u>90,946</u>	<u>130,038</u>	<u>10,018</u>	<u>231,002</u>
Depreciation				
At 1 August 2020	32,434	76,489	10,018	118,941
Charge for the year on owned assets	7,149	3,859	-	11,008
Charge for the year on right-of-use assets	-	14,761	-	14,761
Disposals	-	(2,833)	-	(2,833)
At 31 July 2021	<u>39,583</u>	<u>92,276</u>	<u>10,018</u>	<u>141,877</u>
Net book value				
At 31 July 2021	<u>51,363</u>	<u>37,762</u>	<u>-</u>	<u>89,125</u>
At 31 July 2020	<u>47,814</u>	<u>43,049</u>	<u>-</u>	<u>90,863</u>

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

5. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	2021 £	2020 £
Tangible fixed assets owned	69,738	56,714
Right-of-use tangible fixed assets	19,387	34,149
	<u>89,125</u>	<u>90,863</u>

Information about right-of-use assets is summarised below:

Net book value

	2021 £	2020 £
Motor vehicles	19,387	34,149

Depreciation charge for the year ended

	2021 £	2020 £
Motor vehicles	14,761	21,976
	<u>14,761</u>	<u>21,976</u>

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

6. Fixed asset investments

	Trade investments £
At 1 August 2020	<u><u>1</u></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 (2020 - £1,300).

7. Debtors

	2021 £	2020 £
Trade debtors	130,836	180,223
Other debtors	73,974	9,935
Prepayments and accrued income	6,051	3,487
	<u><u>210,861</u></u>	<u><u>193,645</u></u>

8. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	2	2
Less: bank overdrafts	(33,859)	(237,952)
	<u><u>(33,857)</u></u>	<u><u>(237,950)</u></u>

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

9. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	33,859	237,952
Trade creditors	274,762	102,056
Amounts owed to group undertakings	76,431	85,431
Corporation tax	24,520	3,513
Lease liabilities	4,970	7,430
Other creditors	5,518	8,039
Accruals and deferred income	103,777	113,003
	523,837	557,424

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

	2021	2020
	£	£
Lease liabilities	12,436	17,406
	12,436	17,406

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

11. Hire purchase

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Within one year	4,970	7,430
Between 1-5 years	12,436	17,406
	17,406	24,836

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. Deferred taxation

	2021 £	2020 £
At beginning of year	10,570	10,570
Charged to the profit or loss	(156)	-
	<u>10,414</u>	<u>10,570</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	10,726	10,570
	<u>10,726</u>	<u>10,570</u>

13. Pension commitments

14. Transactions with Directors

Included within debtors is a balance of £22,942 (2020 - £1,742) owed by A Pauley, a Director. During the year A Pauley was advanced amounts of £21,200 (2020 - £14,208 repaid). The maximum outstanding balance during the year was £22,942 (2020 - £15,950). No interest is being charged on this balance and it is repayable on demand.

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 £12,713 (2020 - £25,462) to a fellow subsidiary. At the year end the Company was owed £Nil (2020 - £Nil) by the fellow subsidiary.

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 2021, under which Pauley Limited is jointly liable for any bank liabilities incurred within Pauley Group Limited, Milton Keynes Preparatory School Limited, AJ Pauley Developments Limited and Pauley Properties Limited. The total liability outstanding as at 31 July 2021 was £4,956,962 (2020 - £5,820,218).

PAULEY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

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 2021 was unqualified.

The audit report was signed on *29 March 2022* by Simon Knibbs MA FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.