

# **PACEY Commercial Services Limited**

## **Annual Report and Financial Statements**

31 March 2019

Company Limited by Guarantee  
Registration Number  
2875417 (England and Wales)

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## Reference and administrative details of the company and its advisers

<b>Chief Executive</b>	L Bayram
<b>Directors</b>	D Burch (appointed July 2018) J Comeau J Cullen (resigned October 2018) C Glennie
<b>Registered/Principal office</b>	Northside House Third Floor 69 Tweedy Road Bromley Kent BR1 3WA
<b>Company registration number</b>	02875417 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bank</b>	The Co-Operative Bank PO Box 101 1 Balloon Street Manchester, M60 4EP

## **Directors' report** Year to 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

### **Principal activity**

The principal activity of the company in the year under review was that of trading subsidiary of Professional Association for Childcare and Early Years (PACEY) which is a registered charity promoting the provision of facilities for the daily care, recreation and education of children under the age of 8 years, and the observance of good standards of childcare by parents and providers of childcare. The company sells training packs and publications connected to childcare and receives royalty income.

### **Directors**

The directors during the year under review were:

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D Burch  
J Comeau  
J Cullen  
C Glennie

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### **Results**

The statement of income and retained earnings is set out on page 7 and shows the result for the year. Available funds have been donated with Gift Aid to the Professional Association for Childcare and Early Years (PACEY).

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm they consider that the going concern basis remains appropriate. The directors have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained. The directors regard the going concern basis as remaining appropriate as the company has positive cash reserves and can rely upon the resources of its parent to continue in operational existence for the foreseeable future.

### **Statement of 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

## Directors' report Year to 31 March 2019

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

### Statement of directors' responsibilities (continued)

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.

Each of the directors confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

Buzzacott LLP has expressed its willingness to continue as auditor for the next financial year.

These financial statements have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the Board



(J COMEAU)

Date of approval:

20th July 2019

**Independent auditor's report to the member of PACEY Commercial Services Limited**

**Opinion**

We have audited the financial statements of PACEY Commercial Services Limited (the 'company') for the year ended 31 March 2019 which comprise the statement of income and retained earnings, the statement of financial position, the principal accounting policies and notes to the financial statements. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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.

**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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information and financial statements**

The directors are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

## **Independent auditor's report 31 March 2019**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in 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.

### **Matters on which we are required to report by exception**

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 companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

## **Independent auditor's report 31 March 2019**

### **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.

### **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.

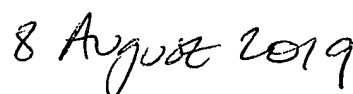
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.



Catherine Biscoe, Senior Statutory Auditor  
for and on behalf of  
Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL





## Statement of income and retained earnings Year to 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Turnover			384,964		462,297
Cost of sales			<u>(177,747)</u>		<u>(210,071)</u>
<b>Gross profit</b>			207,217		252,226
Distribution costs		(34,539)		(39,391)	
Administrative expenses		<u>(104,327)</u>		<u>(145,749)</u>	
			<u>(138,866)</u>		<u>(185,140)</u>
			68,351		67,086
Other operating income			<u>16,304</u>		<u>111,296</u>
<b>Operating profit and profit on ordinary activities before taxation</b>			84,655		178,382
Tax on profit on ordinary activities			—		—
<b>Profit for the financial year at 31 March 2019</b>			<u>84,655</u>		<u>178,382</u>
<b>Retained earnings at 1 April 2018</b>			—		—
Gift Aid to PACEY			(84,655)		(178,382)
<b>Retained earnings at 31 March 2019</b>			<u>—</u>		<u>—</u>

### Continuing operations

None of the company's activities were acquired or discontinued during the current and previous years.

### Total recognised gains and losses

The company has no recognised gains and losses other than those shown above.

The notes on pages 11 to 12 form part of these financial statements.

**Statement of financial position As at 31 March 2019**

	Notes	2019 £	2019 £	2018 £	2018 £
<b>Current assets</b>					
Stock	3	102,308		116,896	
Debtors	4	—		8,333	
Cash at bank and in hand		1,376		1,356	
		<u>103,684</u>		<u>126,585</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(93,061)</u>		<u>(115,962)</u>	
<b>Net current assets</b>			<u>10,623</u>		<u>10,623</u>
<b>Total net assets</b>			<u>10,623</u>		<u>10,623</u>
<b>Represented by:</b>					
<b>Capital and reserves</b>					
Called up share capital	6	3		3	
Profit and loss account		<u>10,620</u>		<u>10,620</u>	
<b>Shareholders' funds</b>	7		<u>10,623</u>		<u>10,623</u>

These financial statements have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006 and the provisions within Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') Section 1A.

The financial statements on pages 7 to 12 were approved and authorised for issue by the Board.



Director (J COMEAU)

20<sup>th</sup> July, 2019



Director (D BURCH)

PACEY Commercial Services Limited  
Registration Number 2875417

## **Principal accounting policies 31 March 2019**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value and in accordance with Section 1A of FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Statement of cash flows**

The financial statements do not include a statement of cash flows because the company, as a small company, is exempt from the requirement to prepare such a statement under Section 1A of FRS 102.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the directors to make significant judgements and estimates. The only item in the financial statements where judgements and estimates have been made relate to the book value of stock.

### **Going concern**

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The directors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The directors of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The directors are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant area of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2020, the most significant area that affects the carrying value of the assets held by the company is the value of stock held.

### **Turnover**

Turnover represents the sale of training packs and publications connected to childcare and receives royalty income.

Turnover 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. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## **Principal accounting policies 31 March 2019**

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the company to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and excludes recoverable VAT. Expenditure comprises the direct costs associated with the delivery of the company's services as well as general administrative support costs.

Expenditure is included in the statement of income and retained earnings when incurred except where costs are incurred in advance. In which case, the costs are deferred to future accounting periods.

### **Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date.

### **Directors' remuneration and remuneration of key management personnel**

The directors and key management personnel received no remuneration from the company during the year (2018: £nil).

### **Ultimate parent undertaking and controlling party**

At 31 March 2019, the company's ultimate parent undertaking was the Professional Association for Childcare and Early Years (PACEY). The company has taken advantage of exemptions under FRS 102, and hence transactions with PACEY are not separately disclosed.

Copies of the consolidated statement of financial statements of PACEY which is a registered charity in England and Wales are available from Companies House and the Charities Commission.

## Notes to the financial statements 31 March 2019

### 1 Operating profit

	2019 £	2018 £
The operating profit is stated after charging:		
Auditor's remuneration - audit	2,190	2,145
Auditor's remuneration - other	1,650	1,620

No director received any remuneration during the year (2018: £nil).

### 2 Taxation

#### Analysis of the tax charge

Nil liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2019 (2018: £nil).

### 3 Stocks

	2019 £	2018 £
Stocks and publications and promotional goods	102,308	116,896

### 4 Debtors

	2019 £	2018 £
Trade debtors	—	8,333

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

	2019 £	2018 £
Trade creditors	44,838	31,094
Amounts due to parent undertaking	27,198	49,284
Other taxes and social security	9,291	25,319
Accruals and deferred income	11,734	10,265
	93,061	115,962

### 6 Called up share capital

	2019 £	2018 £
Authorised		
. 100,000 ordinary £1 shares	100,000	100,000
Allotted, issued and fully paid		
. 3 ordinary £1 shares	3	3

Notes to the financial statements 31 March 2019

7 Reconciliation of movements in shareholders' funds

	2019 £	2018 £
<b>Net movement in shareholders' funds</b>		—
Opening shareholders' funds	10,623	10,623
Profit for the financial year	84,655	178,382
Gift Aid to PACEY	(84,655)	(178,382)
<b>Closing shareholders' funds</b>	<b>10,623</b>	<b>10,623</b>
<b>Equity interests</b>	<b>10,623</b>	<b>10,623</b>