

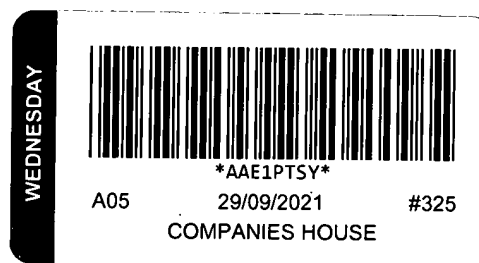
Companies House

**PACEY Commercial
Services Limited**

**Annual Report and Financial
Statements**

31 March 2021

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



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Reference and administrative details of the company and its advisers

Chief Executive	L Bayram
Directors	D Burch J Comeau (retired Oct 2020) C Glennie (retired Oct 2020) Helen Cazaly (appointed Oct 2020) Amy Page (appointed Oct 2020)
Registered/Principal office	Northside House Third Floor 69 Tweedy Road Bromley Kent BR1 3WA
Company registration number	02875417 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bank	The Co-Operative Bank PO Box 101 1 Balloon Street Manchester, M60 4EP

Directors' report Year to 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

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 eight 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:

D Burch
H Cazaly
A Page

Results

The statement of income and retained earnings is set out on page 9 and shows the result for the year. Available funds have been gift-aided 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.

Impact of coronavirus

The pandemic had a significant impact on PACEY Commercial Services Ltd because its sales were unsurprisingly much reduced. PACEY members and other registered providers were forced to close for many weeks during the pandemic and so didn't need the same level of resources as usual. However, careful cost management as well as taking advantage of government-backed Coronavirus loans for businesses and the furlough scheme by PACEY (the charity of which it is a subsidiary), meant PACEY Commercial Services Ltd was able to sustain its business. Later in the year, as lockdown was lifted and then again when registered childcare providers were allowed to stay open during the second lockdown, more sales were generated that supported its recovery. Of course, the situation continues to be uncertain but the directors believe this recovery looks set to continue for the company and they expect to end 2021/22 in a positive position. In particular, the investment PACEY has made in its technical system should start to support PACEY Commercial Services Ltd to run more targeted and impactful marketing activity, as it uses data to grow its understanding of its customers and their needs.

Directors' report Year to 31 March 2021

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

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.

Directors' report Year to 31 March 2021

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

A handwritten signature in black ink, appearing to read 'A Page', written in a cursive style.

Director: Amy Page

Date of approval: 11 August 2021

Independent auditor's report 31 March 2021

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 2021 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, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements:

- ◆ give a true and fair view of the state of the company's affairs as at 31 March 2021 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 qualified opinion

The company is carrying stock valued at £56,057 on the balance sheet as at 31 March 2021. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the stock held by the company due to the impact of COVID-19 and restrictions on travel at the year end, meaning we were unable to attend the annual stock take and verify the quantities held and controls in operation. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the

Independent auditor's report 31 March 2021

Annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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

Independent auditor's report 31 March 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations in the UK which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, and data protection legislation;
- we assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- used data analytics to investigate the rationale behind any significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any available correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and

Independent auditor's report 31 March 2021

regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the company's members, as a body, 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 members those matters we are required to state to them 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 members as a body, 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

Date: 24 September 2021

Statement of income and retained earnings Year to 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Turnover			224,459		319,384
Cost of sales			(96,438)		(152,025)
Gross profit			128,021		167,359
Distribution costs		(16,265)		(31,178)	
Administrative expenses		(99,679)		(106,880)	
			(115,944)		(138,058)
			12,077		29,301
Other operating income			23,468		23,214
Operating profit and profit on ordinary activities before taxation	1		35,545		52,515
Tax on profit on ordinary activities	2		—		—
Profit for the financial year at 31 March 2021			35,545		52,515
Retained earnings at 1 April 2020			10,620		10,620
Gift Aid to PACEY			(35,545)		(52,515)
Retained earnings at 31 March 2021			10,620		10,620

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 14 to 15 form part of these financial statements.

Statement of financial position As at 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Stock	3	56,057		58,545	
Debtors	4	—		—	
Cash at bank and in hand		48,132		12,029	
		<u>104,189</u>		<u>70,574</u>	
Creditors: amounts falling due within one year	5	<u>(93,566)</u>		<u>(59,951)</u>	
Net current assets			<u>10,623</u>		<u>10,623</u>
Total net assets			<u>10,623</u>		<u>10,623</u>
Represented by:					
Capital and reserves					
. Called up share capital	6		3		3
. Profit and loss account			<u>10,620</u>		<u>10,620</u>
Shareholders' funds	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 9 to 15 were approved and authorised for issue by the Board.



Director: Amy Page



Director: David Burch

Date: 11 August 2021

PACEY Commercial Services Limited
Registration Number 2875417

Principal accounting policies 31 March 2021

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 2021.

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.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the company's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under "going concern", the directors have considered the impact of the pandemic on the company and have concluded that although there have been some negative consequences, sales have started increase again and so it is appropriate for the company to continue to prepare its accounts on the going concern basis.

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.

Whilst the pandemic had a significant impact on PACEY Commercial Services Ltd, because its sales were unsurprisingly much reduced when so many childcare settings were forced to close during the first lockdown, careful cost management as well as taking advantage of government-backed Coronavirus loans for businesses and the furlough scheme by PACEY (the charity of which it is a subsidiary), meant PACEY Commercial Services Ltd was able to sustain its business until providers were able to reopen later in the year. Of course, the situation continues to be uncertain but the directors believe the company's recovery looks set to continue and to end 2021/22 in a positive position.

Principal accounting policies 31 March 2021

Going concern (continued)

The directors of the company have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors are of the opinion that the company 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 2022, 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.

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.

Principal accounting policies 31 March 2021

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 (2020 – £nil).

Ultimate parent undertaking and controlling party

At 31 March 2021, 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 2021

1 Operating profit

	2021 £	2020 £
The operating profit is stated after charging:		
Auditor's remuneration - audit	2,295	2,250
Auditor's remuneration - other	1,750	1,700

No director received any remuneration during the year (2020 – £nil).

2 Taxation

Analysis of the tax charge

£nil liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2021 (2020 – £nil).

3 Stocks

	2021 £	2020 £
Stocks and publications and promotional goods	56,057	58,545

4 Debtors

	2021 £	2020 £
Trade debtors	—	—

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,157	19,023
Amounts due to parent undertaking	69,016	25,504
Other taxes and social security	9,230	9,777
Accruals and deferred income	11,163	5,647
	93,566	59,951

6 Called up share capital

	2021 £	2020 £
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 2021

7 Reconciliation of movements in shareholders' funds

	2021 £	2020 £
Net movement in shareholders' funds		
Opening shareholders' funds	10,623	10,623
Profit for the financial year	35,545	52,515
Gift Aid to PACEY	(35,545)	(52,515)
Closing shareholders' funds	10,623	10,623
 Equity interests	 10,623	 10,623