

DAVIES MCKERR LTD
Financial Statements
for the Year Ended 31 December 2021

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for the year ended 31 December 2021

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DAVIES MCKERR LTD
Company Information
for the year ended 31 December 2021

Directors: A P Davies
R Mckerr

Secretary: A P Davies

Registered office: New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

Registered number: 05310125 (England and Wales)

DAVIES MCKERR LTD (REGISTERED NUMBER: 05310125)

Balance Sheet
31 December 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	4		11,183		10,396
Current assets					
Stocks	5	91,013		105,700	
Debtors	6	756,968		653,149	
Cash at bank and in hand		<u>763,656</u>		<u>318,917</u>	
		1,611,637		1,077,766	
Creditors					
Amounts falling due within one year	7	<u>719,260</u>		<u>639,428</u>	
Net current assets			<u>892,377</u>		<u>438,338</u>
Total assets less current liabilities			<u>903,560</u>		<u>448,734</u>
Provisions for liabilities	8		<u>2,126</u>		<u>1,975</u>
Net assets			<u>901,434</u>		<u>446,759</u>
Capital and reserves					
Called up share capital	9		10,000		10,000
Retained earnings	10		<u>891,434</u>		<u>436,759</u>
Shareholders' funds			<u>901,434</u>		<u>446,759</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2022 and were signed on its behalf by:

A P Davies - Director

R Mckerr - Director

Notes to the Financial Statements
for the year ended 31 December 2021

1. **Statutory information**

Davies McKerr Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **Accounting policies**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Set out below is a summary of the principal accounting policies, all of which have been applied consistently (except as otherwise stated).

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Company's accounting policies

The Company makes a number of assessments which require judgement in preparing the accounts and can have a significant effect upon the financial statements. However due to the straight forward nature of the Company's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However due to the straight forward nature of the Company's business, management does not believe that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. Accounting policies - continued

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow affiliate companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

2. **Accounting policies - continued**

Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks including an assessment on uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

3. **Employees and directors**

The average number of employees during the year was 18 (2020 - 13).

4. **Tangible fixed assets**

	Fixtures and fittings £
Cost	
At 1 January 2021	39,518
Additions	7,529
Disposals	<u>(16,109)</u>
At 31 December 2021	<u>30,938</u>
Depreciation	
At 1 January 2021	29,122
Charge for year	3,628
Eliminated on disposal	<u>(12,995)</u>
At 31 December 2021	<u>19,755</u>
Net book value	
At 31 December 2021	<u>11,183</u>
At 31 December 2020	<u>10,396</u>

5. **Stocks**

	2021 £	2020 £
Work-in-progress	<u>91,013</u>	<u>105,700</u>

Notes to the Financial Statements - continued
for the year ended 31 December 2021

6.	Debtors: amounts falling due within one year		2021	2020
			£	£
	Trade debtors		739,564	623,676
	Other debtors		1,812	2,412
	Prepayments		15,592	27,061
			<u>756,968</u>	<u>653,149</u>
7.	Creditors: amounts falling due within one year		2021	2020
			£	£
	Trade creditors		366,085	334,425
	Tax		166,491	91,697
	Social security and other taxes		34,232	32,916
	VAT		-	127
	Other creditors		4,436	1,963
	Accruals and deferred income		-	106,500
	Accrued expenses		148,016	71,800
			<u>719,260</u>	<u>639,428</u>
8.	Provisions for liabilities		2021	2020
			£	£
	Deferred tax			
	Accelerated capital allowances		<u>2,126</u>	<u>1,975</u>
				Deferred tax
				£
	Balance at 1 January 2021			1,975
	Provided during year			151
	Balance at 31 December 2021			<u>2,126</u>
9.	Called up share capital			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	2021
				£
	10,000	Ordinary	£1	<u>10,000</u>
				<u>10,000</u>
10.	Reserves			Retained earnings
				£
	At 1 January 2021			436,759
	Profit for the year			684,379
	Dividends			(229,704)
	At 31 December 2021			<u>891,434</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.