

Company Registration No. 01058143 (England and Wales)

**PENFOLD VERRALL LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# **PENFOLD VERRALL LIMITED**

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# PENFOLD VERRALL LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

		2022		2021	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	4		158,078		135,404
Investments	5		75		75
			<u>158,153</u>		<u>135,479</u>
<b>Current assets</b>					
Inventories	6	164,322		89,529	
Trade and other receivables	7	2,291,701		1,617,711	
Cash and cash equivalents		405,285		383,493	
		<u>2,861,308</u>		<u>2,090,733</u>	
<b>Current liabilities</b>	8	(1,745,424)		(900,549)	
<b>Net current assets</b>			<u>1,115,884</u>		<u>1,190,184</u>
<b>Total assets less current liabilities</b>			<u>1,274,037</u>		<u>1,325,663</u>
<b>Provisions for liabilities</b>			(8,700)		(5,200)
<b>Net assets</b>			<u><u>1,265,337</u></u>		<u><u>1,320,463</u></u>
<b>Equity</b>					
Called up share capital	9		35		35
Share premium account			325,502		325,502
Capital redemption reserve			91		91
Retained earnings			939,709		994,835
<b>Total equity</b>			<u><u>1,265,337</u></u>		<u><u>1,320,463</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 14 December 2022 and are signed on its behalf by:

Mr D J L Lynch  
Director

Company Registration No. 01058143

# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

#### Company information

Penfold Verrall Limited is a private company limited by shares incorporated in England and Wales. The registered office is Amelia House, Crescent Road, Worthing, West Sussex, BN11 1RL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The company is a wholly owned subsidiary of Penfold Verrall Holdings Limited and the results of the company are included in the consolidated financial statements of Penfold Verrall Holdings Limited which are available from its registered office which is the same as the company.

#### 1.2 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. The rising prices in materials, lack of customer demand for their services and general economic state has had a significant impact on the company's operations. In response to this, 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 rising prices. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

#### 1.3 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

#### Construction contract income

Revenue from contracts for the provision of construction services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Contract retentions are recognised on completion of the respective contracts when there is reasonable certainty that they are recoverable.

# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### *Haulage income*

Revenue from the provision of haulage services is recognised at the time the service is delivered, when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their remaining useful lives on the following bases:

Land freehold	Not depreciated
Leasehold property	10% to 20% straight line per annum
Plant, machinery, fixtures & fittings	10% to 50% straight line per annum
Heavy plant and vehicles	20% to 50% straight line per annum
Motor vehicles	25% diminishing balance per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 1 Accounting policies

(Continued)

#### 1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

##### **Financial assets**

Basic financial assets are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

##### **Financial liabilities**

Basic financial liabilities 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. Financial liabilities classified as payable within one year are not amortised.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year.

# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.16 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Revenue recognition on construction contracts**

Revenue derived from construction services include a judgement of the stage of completion at the year end. This judgement is used to determine the amount of revenue and profit to recognise in relation to each contract, which is still ongoing at the end of the reporting period. The stage of completion is calculated based on the assessment of qualified quantity surveyors of the costs incurred for work performed in conjunction with expected final contract costs and overall profitability.

The provisions for losses on contracts are included for expected losses made on contracts in progress at the balance sheet date.

# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 61 (2021 - 58).

### 4 Property, plant and equipment

	Land freehold	Leasehold property	Plant, Heavy plant and machinery, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2021	15,000	211,498	152,626	79,922	636,071
Additions	-	18,922	15,334	14,502	48,758
Disposals	-	-	(538)	-	(10,882)
At 30 June 2022	15,000	230,420	167,422	94,424	673,947
<b>Depreciation and impairment</b>					
At 1 July 2021	-	157,691	123,228	57,454	500,667
Depreciation charged in the year	-	8,266	10,182	3,844	26,084
Eliminated in respect of disposals	-	-	(538)	-	(10,882)
At 30 June 2022	-	165,957	132,872	61,298	515,869
<b>Carrying amount</b>					
At 30 June 2022	15,000	64,463	34,550	33,126	158,078
At 30 June 2021	15,000	53,807	29,398	22,468	135,404

### 5 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	75	75

### 6 Inventories

	2022 £	2021 £
Inventories	164,322	89,529



# PENFOLD VERRALL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

### 7 Trade and other receivables

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade receivables	1,592,182	1,032,205
Amounts owed by group undertakings	302,534	200,968
Other receivables	396,985	384,538
	<u>2,291,701</u>	<u>1,617,711</u>

Included within other receivables is £nil (2021: £108,716) available in respect of an invoice discounting facility at the reporting date. This facility is secured against the assets of the company.

Amounts owed by group undertakings have no terms and are therefore repayable on demand. Whilst the classification as due within one year reflects the contractual nature of the loans, the company does not seek repayment of these loans until the group undertakings are financially able to make repayments. This may be more than 12 months from the reporting date, as part of the company's ongoing financial support of the group undertakings.

### 8 Current liabilities

	2022	2021
	£	£
Trade payables	453,917	636,810
Corporation tax	-	10,000
Other taxation and social security	255,030	140,845
Other payables	517,500	12,423
Accruals and deferred income	518,977	100,471
	<u>1,745,424</u>	<u>900,549</u>

Included within other payables is £503,500 (2021: £nil) paid in advance to the company in respect of items included in trade receivables as part of an invoice finance facility at the reporting date. This facility is secured against the assets of the company.

### 9 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 5p each	<u>700</u>	<u>700</u>	<u>35</u>	<u>35</u>

### 10 Financial commitments, guarantees and contingent liabilities

The company is included in a joint security arrangement whereby all present and future indebtedness and liabilities owing to the bank are secured by a composite unlimited multilateral guarantee and a debenture given by the company and its parent, Penfold Verrall Holdings Limited. At the reporting date there was no liability due under this arrangement.

## **PENFOLD VERRALL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 30 JUNE 2022***

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#### **11 Related party transactions**

At the year end the company was owed £177,025 (2021: £193,301) from a connected company.

#### **12 Parent company**

The parent company is Penfold Verrall Holdings Limited, a company registered in England and Wales. Penfold Verrall Holdings Limited prepares consolidated financial statements and copies can be obtained from Companies House. The registered office of Penfold Verrall Holdings Limited is Amelia House, Crescent Road, Worthing, West Sussex, BN11 1RL.

#### **13 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Robert Dowling FCA.

The auditor was Carpenter Box.

Carpenter Box is a trading name of Carpenter Box Limited

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.