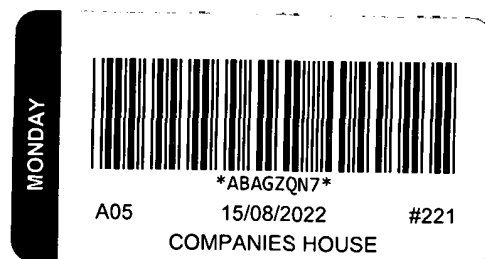


ROC

COMPANY REGISTRATION NUMBER: 01847327

Michael Davey Financial Management Limited
Financial Statements
30 April 2022



EDMUND CARR LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Michael Davey Financial Management Limited

Financial Statements

Year ended 30 April 2022

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Michael Davey Financial Management Limited

Officers and Professional Advisers

The board of directors	Mr J A Davey Mrs J Goodbody
Company secretary	J Goodbody
Registered office	Salisbury House Finsbury Circus London EC2M 5UL
Auditor	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
Bankers	Barclays Bank Plc 128 Moorgate London EC2M 6SX

Michael Davey Financial Management Limited

Strategic Report

Year ended 30 April 2022

The financial year ending 30th April 2022 was MDFM's 42nd in business and was impacted by ongoing interruptions as a result of the Covid pandemic - with staff finally returning to the office on a full time basis from January 2nd.

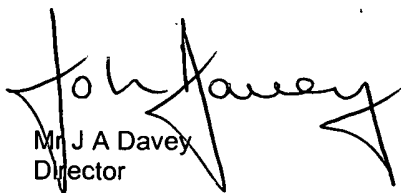
Nonetheless, as a result of buoyant investment markets for most of the year, company turnover increased above £3 million for the first time, whilst profitability also increased by 18.2% for the year. Over the last five years, therefore, the company profits have increased by 10.8%.

During the year Jeremy Pooley resigned as a Director of the firm, and Jane Goodbody, Company Secretary, was appointed as a Director. The firm also recruited a new Senior Adviser - Rick Greiller.

Market conditions have become more challenging since the beginning of 2022 and as a result, it is anticipated that income for 2022/23 will be affected. However, the long-term outlook for the firm remains healthy.

The Directors wish to formally place on record, their grateful thanks to all staff for their dedication and flexibility over the last twelve months.

This report was approved by the board of directors on 5th August 2022 and signed on behalf of the board by:



Mr J A Davey
Director



J Goodbody
Company Secretary

Registered office:
Salisbury House
Finsbury Circus
London
EC2M 5UL

Michael Davey Financial Management Limited

Directors' Report

Year ended 30 April 2022

The directors present their report and the financial statements of the company for the year ended 30 April 2022.

Directors

The directors who served the company during the year were as follows:

Mr J A Davey	
Mrs J Goodbody	(Appointed 11 October 2021)
Mr J B Pooley	(Resigned 11 October 2021)

Dividends

Particulars of dividends paid are detailed in note 12 in the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the directors have set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Michael Davey Financial Management Limited

Directors' Report *(continued)*

Year ended 30 April 2022

Auditor


Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 5th August 2022 and signed on behalf of the board by:



Mr J A Davey
Director



J Goodbody
Company Secretary

Registered office:
Salisbury House
Finsbury Circus
London
EC2M 5UL

Michael Davey Financial Management Limited

Independent Auditor's Report to the Members of Michael Davey Financial Management Limited

Year ended 30 April 2022

Opinion

We have audited the financial statements of Michael Davey Financial Management Limited (the 'company') for the year ended 30 April 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' 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.

Michael Davey Financial Management Limited

Independent Auditor's Report to the Members of Michael Davey Financial Management Limited *(continued)*

Year ended 30 April 2022

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. 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 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report or 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.

Michael Davey Financial Management Limited

Independent Auditor's Report to the Members of Michael Davey Financial Management Limited *(continued)*

Year ended 30 April 2022

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 directors and other management, and from our commercial knowledge and experience of the financial management sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, tax legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.
- Identified laws and regulations were communicated with the audit team regularly and the team remained alert of 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.

Michael Davey Financial Management Limited

Independent Auditor's Report to the Members of Michael Davey Financial Management Limited *(continued)*

Year ended 30 April 2022

- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations
- Understanding the design of the company's remuneration policies

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

- Performed analytical procedures to identify any unusual or unexpected relationships
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- Investigated the rationale behind 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
- Reviewing correspondence with HMRC, relevant regulators and the company's legal advisors

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a
-

Michael Davey Financial Management Limited

Independent Auditor's Report to the Members of Michael Davey Financial Management Limited *(continued)*

Year ended 30 April 2022

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

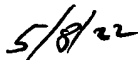
Use of our report

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.



Colin Andrew Barker (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountants & Statutory Auditor
146 New London Road
Chelmsford
Essex
CM2 0AW



Michael Davey Financial Management Limited

Statement of Income and Retained Earnings

Year ended 30 April 2022

	Note	2022 £	2021 £
Turnover	4	3,077,376	2,699,612
Cost of sales		85	834
Gross profit		<u>3,077,291</u>	<u>2,698,778</u>
Administrative expenses		2,269,949	2,024,327
Other operating income	5	–	14,040
Operating profit	6	<u>807,342</u>	<u>688,491</u>
Other interest receivable and similar income	10	78	1,183
Profit before taxation		<u>807,420</u>	<u>689,674</u>
Tax on profit	11	155,035	133,102
Profit for the financial year and total comprehensive income		<u>652,385</u>	<u>556,572</u>
Dividends paid and payable	12	(680,000)	(585,227)
Retained earnings at the start of the year		<u>479,101</u>	<u>507,756</u>
Retained earnings at the end of the year		<u>451,486</u>	<u>479,101</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

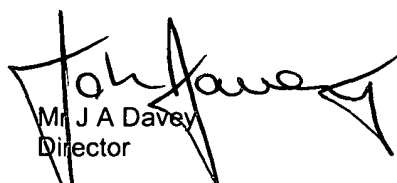
Michael Davey Financial Management Limited

Statement of Financial Position

30 April 2022

	Note	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		14,901		16,377
Current assets					
Debtors	14	294,114		362,876	
Cash at bank and in hand		<u>794,686</u>		<u>715,884</u>	
		1,088,800		1,078,760	
Creditors: amounts falling due within one year	15	<u>602,215</u>		<u>566,036</u>	
Net current assets			<u>486,585</u>		<u>512,724</u>
Total assets less current liabilities			<u>501,486</u>		<u>529,101</u>
Net assets			<u>501,486</u>		<u>529,101</u>
Capital and reserves					
Called up share capital	18		50,000		50,000
Profit and loss account	19		<u>451,486</u>		<u>479,101</u>
Shareholders funds			<u>501,486</u>		<u>529,101</u>

These financial statements were approved by the board of directors and authorised for issue on 5th Aug 2022, and are signed on behalf of the board by:


Mr J A Davey
Director

Company registration number: 01847327

The notes on pages 13 to 20 form part of these financial statements.

Michael Davey Financial Management Limited

Statement of Cash Flows

Year ended 30 April 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	652,385	556,572
<i>Adjustments for:</i>		
Depreciation of tangible assets	5,548	9,974
Government grant income	–	(14,040)
Other interest receivable and similar income	(78)	(1,183)
Tax on profit	155,035	133,102
Accrued expenses	25,074	51,783
<i>Changes in:</i>		
Trade and other debtors	68,762	(60,031)
Trade and other creditors	(11,413)	26,073
Cash generated from operations	895,313	702,250
Interest received	78	1,183
Tax paid	(132,517)	(136,501)
Net cash from operating activities	<u>762,874</u>	<u>566,932</u>
Cash flows from investing activities		
Purchase of tangible assets	<u>(4,072)</u>	<u>(1,000)</u>
Net cash used in investing activities	<u>(4,072)</u>	<u>(1,000)</u>
Cash flows from financing activities		
Repayments of borrowings	–	(23,056)
Government grant income	–	14,040
Dividends paid	(680,000)	(585,227)
Net cash used in financing activities	<u>(680,000)</u>	<u>(594,243)</u>
Net increase/(decrease) in cash and cash equivalents	78,802	(28,311)
Cash and cash equivalents at beginning of year	<u>715,884</u>	<u>744,195</u>
Cash and cash equivalents at end of year	<u>794,686</u>	<u>715,884</u>

The notes on pages 13 to 20 form part of these financial statements.

Michael Davey Financial Management Limited

Notes to the Financial Statements

Year ended 30 April 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Salisbury House, Finsbury Circus, London, EC2M 5UL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents the amount derived from the provision of services falling within the company's activities.

Commissions Receivable

All commissions, both indemnity and otherwise, are credited to the Profit and Loss Account as they are earned. Commissions are treated as earned on the earlier of the date they are received by the company or the date on which they are shown on the company's statement by the Life Office or Product Provider.

Income tax

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 33% straight line
Fixtures and fittings	- 15% reducing balance

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Fees Received	<u>3,077,376</u>	<u>2,699,612</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2022	2021
	£	£
Government grant income	<u>—</u>	<u>14,040</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	5,548	9,974
Foreign exchange differences	<u>3,708</u>	<u>3,725</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>8,700</u>	<u>8,786</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>11,100</u>	<u>11,399</u>

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022 No.	2021 No.
Administrative staff	13	13
Management staff	3	2
	<u>16</u>	<u>15</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	1,473,957	1,232,583
Social security costs	168,358	188,065
Other pension costs	25,444	26,298
	<u>1,667,759</u>	<u>1,446,946</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	635,350	674,852
Company contributions to defined contribution pension plans	7,174	12,495
	<u>642,524</u>	<u>687,347</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2022 No.	2021 No.
Defined contribution plans	<u>3</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022 £	2021 £
Aggregate remuneration	533,440	473,526
Company contributions to defined contribution pension plans	3,879	7,523
	<u>537,319</u>	<u>481,049</u>

10. Other interest receivable and similar income

	2022 £	2021 £
Interest on cash and cash equivalents	<u>78</u>	<u>1,183</u>

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

11. Tax on profit

Major components of tax expense

	2022 £	2021 £
Current tax:		
UK current tax expense	154,117	131,600
Adjustments in respect of prior periods	918	1,502
Total current tax	<u>155,035</u>	<u>133,102</u>
Tax on profit	<u>155,035</u>	<u>133,102</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	807,420	689,674
Profit on ordinary activities by rate of tax	153,410	131,038
Adjustment to tax charge in respect of prior periods	1,426	1,502
Effect of expenses not deductible for tax purposes	502	471
Effect of capital allowances and depreciation	(14)	1,663
Utilisation of tax losses	(228)	(228)
Other tax adjustment	(61)	(1,344)
Tax on profit	<u>155,035</u>	<u>133,102</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022 £	2021 £
Dividends on ordinary shares	<u>680,000</u>	<u>585,227</u>

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 May 2021	21,042	65,224	86,266
Additions	4,072	–	4,072
At 30 April 2022	25,114	65,224	90,338
Depreciation			
At 1 May 2021	19,377	50,512	69,889
Charge for the year	2,282	3,266	5,548
At 30 April 2022	21,659	53,778	75,437
Carrying amount			
At 30 April 2022	3,455	11,446	14,901
At 30 April 2021	1,665	14,712	16,377

14. Debtors

	2022 £	2021 £
Trade debtors	248,649	309,310
Amounts owed by group undertakings	7,976	6,776
Prepayments and accrued income	33,865	43,166
Other debtors	3,624	3,624
	294,114	362,876

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Accruals and deferred income	409,100	384,026
Corporation tax	154,117	131,599
Social security and other taxes	38,998	27,355
Other creditors	–	23,056
	602,215	566,036

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £25,444 (2021: £26,298).

Michael Davey Financial Management Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2022

17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	—	14,040

18. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary A shares of £1 each	43,000	43,000	43,000	43,000
Ordinary B shares of £1 each	3,500	3,500	3,500	3,500
Ordinary C shares of £1 each	3,500	3,500	3,500	3,500
	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

All classes of shares rank equally.

19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

20. Analysis of changes in net debt

	At 1 May 2021	Cash flows	At 30 Apr 2022
	£	£	£
Cash at bank and in hand	<u>715,884</u>	<u>78,802</u>	<u>794,686</u>

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	109,770	142,523
Later than 1 year and not later than 5 years	<u>620,286</u>	<u>28,750</u>
	<u>730,056</u>	<u>171,273</u>

22. Related party transactions

Dividends of £680,000 (2021: £585,227) were paid to MDFM Holdings Limited in the year.

At the year end MDFM Holdings Limited owed the company £7,976 (2021: £6,776) which is shown amongst debtors.

Michael Davey Financial Management Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2022

23. Controlling party

The ultimate parent undertaking of Michael Davey Financial Management Limited is MDFM Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party was J A Davey, a director, and members of his close family throughout the current and previous period.