

Company registration number 02092460 (England and Wales)

PAUL SIMON DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PAUL SIMON DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	Mr S Oliver Mr P Tyne
Company number	02092460
Registered office	Magic House 5-11 Green Lanes London N13 4TN
Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL

PAUL SIMON DEVELOPMENTS LIMITED

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PAUL SIMON DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business

Turnover for the year ended 31 March 2023 amounted to £16,542,227 compared to £19,269,564 for the previous year and the operating loss for the year was £236,183 compared to a profit of £768,326 in the previous year. The loss is mainly due to bad debts were written off during the year which amounted to £107,320 and no developments were sold in the year to 31 Mar 2023 and expected sale in the next financial year. In 2022, a development was sold at a profit.

The directors considered the results at the year end to be satisfactory and intend to pursue strategies that would enhance the growth of the company and result in improved performance. The company continued to serve the strong demand from established, existing clients. There has also been good exposure to new clients.

Principal risks and uncertainties

The company, like all businesses, faces a number of operating risks and uncertainties. There are a small number of risks that could impact the company's long term performance and steps are taken to understand and evaluate these in order to achieve their objective of sustainable growth.

The management have risk management processes in place, which are designed to identify, manage and mitigate business risk.

Financial risk management objectives and policies

The company has access to various financial instruments that include bank overdrafts, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to ensure smooth running of the business. The main risks arising from the company's financial instruments are as stated below.

Liquidity risk

The company aims to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by having access to overdraft facilities.

Credit risk

The company strictly monitors amounts outstanding from customers and grants credit only to established customers.

Development and performance

The directors aim to continue with the management policies which have resulted in the company's steady growth in recent years.

Key performance indicators

The directors use both financial and non-financial performance indicators to monitor the company's position.

The key financial performance indicators of the company are gross profit of £986,138 (2022: £1,636,545, sales £16,542,227 (2022: £19,269,564) and balance sheet with net assets of £8,416,567 (2022: £8,295,359).

The key non-financial performance indicators of the company are customer service and satisfaction, and stakeholder relationships.

The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

PAUL SIMON DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

Mr S Oliver
Director

30 April 2024

PAUL SIMON DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company continued to be that of development of building projects

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Oliver

Mr P Tyne

Auditor

KLSA LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr S Oliver

Director

30 April 2024

PAUL SIMON DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the annual 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 of 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 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.

PAUL SIMON DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL SIMON DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Paul Simon Developments Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

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 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 our 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.

PAUL SIMON DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL SIMON DEVELOPMENTS LIMITED (CONTINUED)

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation.

We also considered potential fraud drivers: including financial or other pressures, opportunity, override of controls and personal or corporate motivations. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing journals, evaluating the business rationale of significant transactions outside the normal course of business and validating the appropriateness of internal controls and significant accounting estimations based on our fraud risk criteria;

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.

PAUL SIMON DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL SIMON DEVELOPMENTS LIMITED (CONTINUED)

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 note 2 were indicative of potential bias; and
- 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;
- enquiring of management as to actual and potential litigation and claims.

We obtained understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the financial reporting framework, tax regulations in the jurisdictions in which the company operates.

Based on this understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved: making enquiries of management, those responsible for legal and compliance procedures and reviewing other correspondence.

We communicated identified fraud risks and non-compliance with laws and regulations with those charged with governance, throughout the audit team and remained alert to any indications throughout the audit.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other Matters

The comparative period was not subject to audit because the company took advantage of audit exemption by virtue of section 479A of Companies Act 2006 in that period.

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.

PAUL SIMON DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL SIMON DEVELOPMENTS LIMITED (CONTINUED)

Harsheel Dodhia
Senior Statutory Auditor
For and on behalf of KLSA LLP

30 April 2024

Chartered Accountants
Statutory Auditor

Kalamu House
11 Coldbath Square
London
EC1R 5HL

PAUL SIMON DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	16,897,228	19,269,564
Cost of sales		(15,911,090)	(17,633,019)
Gross profit		986,138	1,636,545
Administrative expenses		(1,348,630)	(1,005,851)
Other operating income		126,309	137,632
Operating (loss)/profit	4	(236,183)	768,326
Interest receivable and similar income	7	30,858	510,134
Interest payable and similar expenses	8	(15,758)	(22,245)
Fair value gains and losses on investment properties	10	480,000	-
Profit before taxation		258,917	1,256,215
Tax on profit		(137,759)	(150,076)
Profit for the financial year		121,158	1,106,139

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PAUL SIMON DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Profit for the year	121,158	1,106,139
Other comprehensive income	-	-
Total comprehensive income for the year	<u>121,158</u>	<u>1,106,139</u>

PAUL SIMON DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	as restated	£
Fixed assets					
Tangible assets	9		95,718		27,064
Investment property	10		3,500,000		3,020,000
Investments	11		4		54
			<u>3,595,722</u>		<u>3,047,118</u>
Current assets					
Stocks	13	1,341,855		-	
Debtors	14	12,047,001		8,227,116	
Cash at bank and in hand		1,792,674		2,227,693	
		<u>15,181,530</u>		<u>10,454,809</u>	
Creditors: amounts falling due within one year	15	<u>(9,593,739)</u>		<u>(4,528,871)</u>	
Net current assets			<u>5,587,791</u>		<u>5,925,938</u>
Total assets less current liabilities			<u>9,183,513</u>		<u>8,973,056</u>
Creditors: amounts falling due after more than one year	16		<u>(354,161)</u>		<u>(402,621)</u>
Provisions for liabilities					
Deferred tax liability	18	412,835		275,076	
		<u>(412,835)</u>		<u>(275,076)</u>	
Net assets			<u><u>8,416,517</u></u>		<u><u>8,295,359</u></u>
Capital and reserves					
Called up share capital	19		2		2
Capital redemption reserve			1		1
Profit and loss reserves			8,416,514		8,295,356
Total equity			<u><u>8,416,517</u></u>		<u><u>8,295,359</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 30 April 2024 and are signed on its behalf by:

Mr S Oliver
Director

Company registration number 02092460 (England and Wales)

PAUL SIMON DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 April 2021	2	1,624,812	1	5,964,405	7,589,220
Year ended 31 March 2022:					
Profit and total comprehensive income	-	-	-	1,106,139	1,106,139
Other movements	-	-	-	(400,000)	(400,000)
Prior year adjustment	-	(1,624,812)	-	1,624,812	-
Restated balance as at 31 March 2022	2	-	1	8,295,356	8,295,359
Year ended 31 March 2023:					
Profit and total comprehensive income	-	-	-	121,158	121,158
Balance at 31 March 2023	2	-	1	8,416,514	8,416,517

PAUL SIMON DEVELOPMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(233,594)		2,954,508
Interest paid			(15,758)		(22,245)
Income taxes paid			(64,882)		(9,391)
Net cash (outflow)/inflow from operating activities			(314,234)		2,922,872
Investing activities					
Purchase of tangible fixed assets		(122,262)		(6,046)	
Proceeds from disposal of tangible fixed assets		13,800		7,963	
Proceeds from disposal of associates		50		-	
Non-operating income treated as investing activity		-		(400,000)	
Interest received		30,858		134	
Dividends received		-		510,000	
Net cash (used in)/generated from investing activities			(77,554)		112,051
Financing activities					
Repayment of bank loans		(43,231)		(1,538,829)	
Payment of finance leases obligations		-		(10,255)	
Net cash used in financing activities			(43,231)		(1,549,084)
Net (decrease)/increase in cash and cash equivalents			(435,019)		1,485,839
Cash and cash equivalents at beginning of year			2,227,693		741,854
Cash and cash equivalents at end of year			1,792,674		2,227,693

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Paul Simon Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Magic House, 5-11 Green Lanes, London, N13 4TN.

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.

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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

Revenue from contracts for the provision of professional 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 it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets 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 useful lives on the following bases:

Leasehold land and buildings	Over the remaining term of the lease
Leasehold improvements	Over the remaining term of the lease
Fixtures and fittings	25% Straight line method
Motor vehicles	25% Straight line method

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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.

Other financial assets

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 a 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 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.

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Construction income	16,223,328	19,018,548
Management fees	673,900	251,016
	<u>16,897,228</u>	<u>19,269,564</u>
	2023 £	2022 £
Turnover analysed by geographical market		
United Kingdom	<u>16,897,228</u>	<u>19,269,564</u>
	2023 £	2022 £
Other revenue		
Interest income	30,858	134
Dividends received	-	510,000
	<u></u>	<u></u>

4 Operating (loss)/profit

	2023 £	2022 £
Operating (loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	-
Depreciation of owned tangible fixed assets	39,808	20,311
Operating lease charges	<u>77,178</u>	<u>14,883</u>

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2023 Number	2022 Number
20	20
<u>20</u>	<u>20</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	758,112	725,815
Social security costs	122,726	115,252
	<u>880,838</u>	<u>841,067</u>

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	<u>229,000</u>	<u>229,000</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

2023 £	2022 £
<u> </u>	<u> </u>

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	30,858	134
Other income from investments		
Dividends received	-	510,000
Total income	<u>30,858</u>	<u>510,134</u>

	2023 £	2022 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>30,858</u>	<u>134</u>

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Interest payable and similar expenses

	2023 £	2022 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	15,758	22,245

9 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	143,519	13,800	27,402	47,304	232,025
Additions	-	-	122,262	-	122,262
Transfers	-	(13,800)	-	-	(13,800)
At 31 March 2023	143,519	-	149,664	47,304	340,487
Depreciation and impairment					
At 1 April 2022	141,127	-	16,530	47,304	204,961
Depreciation charged in the year	2,392	-	37,416	-	39,808
At 31 March 2023	143,519	-	53,946	47,304	244,769
Carrying amount					
At 31 March 2023	-	-	95,718	-	95,718
At 31 March 2022	2,392	13,800	10,872	-	27,064

10 Investment property

	2023 £
Fair value	
At 1 April 2022	3,020,000
Net gains or losses through fair value adjustments	480,000
At 31 March 2023	3,500,000

Investment property comprises properties held to earn rentals or capital appreciation. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

11 Fixed asset investments

	Notes	2023 £	2022 £
Investments in associates	12	4	54

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in associates £
Cost or valuation	
At 1 April 2022 & 31 March 2023	54
Impairment	
At 1 April 2022	-
Disposals	50
At 31 March 2023	50
Carrying amount	
At 31 March 2023	4
At 31 March 2022	54

12 Associates

Details of the company's associates at 31 March 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Magic Homes Limited	England and Wales	Ordinary	50.00
Executive Homes (North London Limited)	England and Wales	Ordinary	50.00
Flagswan Limited	England and Wales	Ordinary	50.00
Magicare Limited	England and Wales	Ordinary	50.00
Crossbell Properties Limited	England and Wales	Ordinary	50.00

The investment in Crossbell Properties Limited is indirectly held through the investment in Executive Homes (North London) Limited.

13 Stocks

	2023 £	2022 £
Finished goods and goods for resale	1,341,855	-

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

14 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	26	5,590
Amounts owed by group undertakings	3,144,998	5,275,820
Other debtors	8,817,465	2,842,231
Prepayments and accrued income	84,512	103,475
	<u>12,047,001</u>	<u>8,227,116</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

15 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	17	49,855	44,626
Trade creditors		1,363,524	1,361,918
Amounts owed to group undertakings		6,398,189	2,313,127
Corporation tax		150,000	214,882
Other taxation and social security		70,907	69,369
Other creditors		1,432,585	395,511
Accruals and deferred income		128,679	129,438
		<u>9,593,739</u>	<u>4,528,871</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

16 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans and overdrafts	17	<u>354,161</u>	<u>402,621</u>

Bank loans are secured by a fixed charge over the assets of the company. The loans are subject to commercial rates of interest. The repayment terms of the loan range from monthly, quarterly and at the end of the loan term.

17 Loans and overdrafts

	2023	2022
	£	£
Bank loans	<u>404,016</u>	<u>447,247</u>
Payable within one year	49,855	44,626
Payable after one year	<u>354,161</u>	<u>402,621</u>

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Loans and overdrafts

(Continued)

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	17,759	-
Revaluations	395,076	275,076
	<u>412,835</u>	<u>275,076</u>
		2023
Movements in the year:		£
Liability at 1 April 2022		275,076
Charge to profit or loss		137,759
		<u>412,835</u>
Liability at 31 March 2023		<u>412,835</u>

19 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
A Ordinary shares of 1p each	100	100	1	1
B Ordinary shares of 1p each	100	100	1	1
	<u>200</u>	<u>200</u>	<u>2</u>	<u>2</u>

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	77,625	14,883
Between two and five years	414,000	-
In over five years	543,375	-
	<u>1,035,000</u>	<u>14,883</u>

21 Related party transactions

Included in debtors, is an amount due from a group of connected companies by virtue of common directors amounting to £3,144,998 (2022: £5,275,820).

Included in creditors, is an amount due to a group of connected companies by virtue of common directors amounting to £6,398,189 (2022: £2,313,127). Included in other creditors, is an amount due to the directors Mr Simon Oliver amounting to £615 (2022: £281) and from Mr. Paul Tyne £149,719 (2022: £0).

The company received management charges amounting a group of connected companies amounting to £673,900 (2022: 251,016).

22 Ultimate controlling party

The company is controlled by Mr S Oliver and Mr P Tyne.

23 Prior Period Adjustment

In the prior periods, investment properties had been revalued and this was reflected by a revaluation reserve balance in the balance sheet of £1,624,812 instead of being credited in the Profit and loss account and taken to Profit and loss reserves. The opening balances have been adjusted to reflect the transfer of the revaluation balance amount of £1,624,812 to Profit and loss reserves. There is no effect on the profit for the current and prior year as a result of this adjustment.

PAUL SIMON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Cash (absorbed by)/generated from operations

	2023 £	2022 £
Profit for the year after tax	121,158	1,106,139
Adjustments for:		
Taxation charged	137,759	150,076
Finance costs	15,758	22,245
Investment income	(30,858)	(510,134)
Fair value gain on investment properties	(480,000)	-
Depreciation and impairment of tangible fixed assets	39,808	20,311
Movements in working capital:		
(Increase)/decrease in stocks	(1,341,855)	1,469,809
Increase in debtors	(3,819,885)	(2,268,524)
Increase in creditors	5,124,521	2,964,586
Cash (absorbed by)/generated from operations	(233,594)	2,954,508

25 Analysis of changes in net funds

	1 April 2022 £	Cash flows £	31 March 2023 £
Cash at bank and in hand	2,227,693	(435,019)	1,792,674
Borrowings excluding overdrafts	(447,247)	43,231	(404,016)
	1,780,446	(391,788)	1,388,658

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.