

COMPANY REGISTRATION NUMBER: 04428947

Davies & Davies Limited
Unaudited financial statements
31 December 2016

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Davies & Davies Limited

Statement of financial position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	5	132,441	160,417
Tangible assets	6	<u>68,109</u>	<u>80,895</u>
		200,550	241,312
Current assets			
Stocks	7	61,892	67,680
Debtors	8	156,680	271,306
Cash at bank and in hand		<u>105</u>	<u>106</u>
		218,677	339,092
Creditors: Amounts falling due within one year	9	<u>(256,465)</u>	<u>(324,654)</u>
Net current (liabilities)/assets		<u>(37,788)</u>	<u>14,438</u>
Total assets less current liabilities		162,762	255,750
Provisions			
Taxation including deferred tax		<u>(8,444)</u>	<u>(9,865)</u>
Net assets		<u>154,318</u>	<u>245,885</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>154,218</u>	<u>245,785</u>
Members funds		<u>154,318</u>	<u>245,885</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.
The notes on pages 3 to 7 form part of these financial statements.

Davies & Davies Limited

Statement of financial position *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on 1 April 2017 and are signed on behalf of the board by:



Mr P J Davies
Director

Company registration number: 04428947

The notes on pages 3 to 7 form part of these financial statements.

Davies & Davies Limited

Notes to the financial statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 5 Millers Close, Industrial Estate, Fakenham, Norfolk, NR21 8NW, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, '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.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Davies & Davies Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- Over 7 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates. The directors have reviewed the useful life of goodwill in light of transition to FRS 102 but feel that the current estimate is still appropriate.

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.

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	- 15% reducing balance
Website	- 33% straight line
Motor Vehicles	- 25% reducing balance
Computer Equipment	- 33% reducing balance

Davies & Davies Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

4. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to 11 (2015: 11).

5. Intangible assets

	Goodwill £
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>500,000</u>
Amortisation	
At 1 January 2016	339,583
Charge for the year	<u>27,976</u>
At 31 December 2016	<u>367,559</u>
Carrying amount	
At 31 December 2016	<u>132,441</u>
At 31 December 2015	<u>160,417</u>

Davies & Davies Limited

Notes to the financial statements (continued)

Year ended 31 December 2016

6. Tangible assets

	Plant and machinery £	Website £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 January 2016	433,894	14,759	19,120	28,893	496,666
Additions	—	—	—	722	722
At 31 December 2016	433,894	14,759	19,120	29,615	497,388
Depreciation					
At 1 January 2016	359,834	14,758	17,685	23,494	415,771
Charge for the year	11,109	—	359	2,040	13,508
At 31 December 2016	370,943	14,758	18,044	25,534	429,279
Carrying amount					
At 31 December 2016	62,951	1	1,076	4,081	68,109
At 31 December 2015	74,060	1	1,435	5,399	80,895

7. Stocks

	2016 £	2015 £
Raw materials and consumables	57,077	55,151
Work in progress	4,815	12,529
	61,892	67,680

8. Debtors

	2016 £	2015 £
Trade debtors	—	3,444
Amounts owed by undertakings in which the company has a participating interest	51,413	67,736
Prepayments and accrued income	14,392	16,319
Directors loan account	90,875	183,807
	156,680	271,306

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	123,412	187,227
Trade creditors	39,411	59,685
Accruals and deferred income	2,000	2,000
Corporation tax	35,874	39,373
Social security and other taxes	52,455	34,325
Other creditors	3,313	2,044
	256,465	324,654

Davies & Davies Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2016

9. Creditors: Amounts falling due within one year *(continued)*

The bank loans and overdraft of Davies & Davies Limited are secured by a cross guarantee between John Davies Framing Limited and Davies & Davies Limited.

The loan is secured by a first legal mortgage over the freehold property of Mr P J Davies and Mrs J J Davies known as Unit 5, Millers Close, Fakenham.

10. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2016		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr P J Davies	<u>183,807</u>	<u>(92,932)</u>	<u>90,875</u>
	2015		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr P J Davies	<u>223,747</u>	<u>(39,940)</u>	<u>183,807</u>

11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

12. Controlling interest

The company was controlled throughout the current and preceding period by Mr P J Davies.