

COMPANY REGISTRATION NUMBER: 04428947

**Davies & Davies Limited**  
**Unaudited financial statements**  
**31 December 2017**



# Davies & Davies Limited

## Statement of financial position

31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	5	105,953	132,441
Tangible assets	6	58,729	68,109
		<u>164,682</u>	<u>200,550</u>
<b>Current assets</b>			
Stocks		56,171	61,892
Debtors	7	273,861	156,680
Cash at bank and in hand		44	105
		<u>330,076</u>	<u>218,677</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(268,501)</u>	<u>(254,465)</u>
<b>Net current assets/(liabilities)</b>		61,575	(35,788)
<b>Total assets less current liabilities</b>		<u>226,257</u>	<u>164,762</u>
<b>Provisions</b>			
Taxation including deferred tax		(7,125)	(8,444)
<b>Accruals and deferred income</b>		<u>(27,000)</u>	<u>(2,000)</u>
<b>Net assets</b>		<u>192,132</u>	<u>154,318</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		192,032	154,218
<b>Shareholders funds</b>		<u>192,132</u>	<u>154,318</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 statement of income and retained earnings has not been delivered.

For the year ending 31 December 2017 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 6 form part of these financial statements.

# Davies & Davies Limited

## Statement of financial position *(continued)*

31 December 2017

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These financial statements were approved by the board of directors and authorised for issue on 23/3/18, and are signed on behalf of the board by:

Mr P J Davies  
Director



Company registration number: 04428947

The notes on pages 3 to 6 form part of these financial statements.

# **Davies & Davies Limited**

## **Notes to the financial statements**

**Year ended 31 December 2017**

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### **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 Section 1A of 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.

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

#### **Revenue recognition**

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

#### **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.

#### **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.

# Davies & Davies Limited

## Notes to the financial statements *(continued)*

Year ended 31 December 2017

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### 3. Accounting policies *(continued)*

#### 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

#### 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.

# Davies & Davies Limited

## Notes to the financial statements *(continued)*

### Year ended 31 December 2017

#### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 7 (2016: 8).

#### 5. Intangible assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	500,000
<b>Amortisation</b>	
At 1 January 2017	367,559
Charge for the year	26,488
<b>At 31 December 2017</b>	<b>394,047</b>
<b>Carrying amount</b>	
At 31 December 2017	105,953
At 31 December 2016	132,441

#### 6. Tangible assets

	<b>Plant and machinery £</b>	<b>Website £</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2017	433,894	14,759	19,120	29,615	497,388
Additions	315	—	—	2,143	2,458
<b>At 31 December 2017</b>	<b>434,209</b>	<b>14,759</b>	<b>19,120</b>	<b>31,758</b>	<b>499,846</b>
<b>Depreciation</b>					
At 1 January 2017	370,943	14,758	18,044	25,534	429,279
Charge for the year	9,494	—	269	2,075	11,838
<b>At 31 December 2017</b>	<b>380,437</b>	<b>14,758</b>	<b>18,313</b>	<b>27,609</b>	<b>441,117</b>
<b>Carrying amount</b>					
At 31 December 2017	53,772	1	807	4,149	58,729
At 31 December 2016	62,951	1	1,076	4,081	68,109

#### 7. Debtors

	<b>2017 £</b>	<b>2016 £</b>
Amounts owed by undertakings in which the company has a participating interest	160,905	51,413
Prepayments and accrued income	15,565	14,392
Directors loan account	96,341	90,875
Other debtors	1,050	—
	<b>273,861</b>	<b>156,680</b>

# Davies & Davies Limited

## Notes to the financial statements *(continued)*

Year ended 31 December 2017

### 8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	154,745	123,412
Trade creditors	31,666	39,411
Social security and other taxes	37,965	51,370
Other creditors	44,125	40,272
	<u>268,501</u>	<u>254,465</u>

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

### 9. Directors' advances, credits and guarantees

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

	2017			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
The directors	<u>90,875</u>	<u>110,120</u>	<u>(104,654)</u>	<u>96,341</u>

	2016			
	Balance brought forward £	Advances/ (credits) to the directors £	Amounts repaid £	Balance outstanding £
The directors	<u>183,807</u>	<u>113,452</u>	<u>(206,384)</u>	<u>90,875</u>