

PURCELL ARCHITECTURE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

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PURCELL ARCHITECTURE LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | A R Clark M W Goldspink |
| Company secretary | R A Baker |
| Registered number | 11310436 |
| Registered office | 15 Bermondsey Square London SE1 3UN |
| Independent auditors | Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB |

PURCELL ARCHITECTURE LIMITED

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PURCELL ARCHITECTURE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

Introduction

The directors present their group Strategic Report for the year ended 30 April 2020.

Business review

The Purcell group is a specialist practice of Architects, Masterplanners and Heritage Consultants working across a broad spectrum of sectors, in both the UK, Asia Pacific and Australasia. We are one of a few practices dedicated both to the care and development of historic places and the creation of innovative new buildings in sensitive contexts. Our purpose is to care for and bring new life to the historic built environment, expanding the ways in which it is understood and enjoyed by everyone.

On 1 May 2019 the entire trade and assets of Purcell Miller Tritton LLP was acquired by Purcell Architecture Limited. The comparative figures for the group shown within these accounts are for the new limited company which was dormant prior to the acquisition. The business continues from that previously within Purcell Miller Tritton LLP and copies of the LLP 2019 accounts can be obtained from Companies House should more meaningful comparatives be needed.

This is an exciting first step towards the planned evolution of Purcell as an Employee Owned business continuing the culture and standards established over the past 70 years.

Employee ownership creates a more democratic and collaborative governance structure which sits comfortably with our culture and, when fully embraced by all employees, will create:

- Improved levels and breadth of service to our clients;
- Greater levels of innovation;
- Greater engagement, development and well-being of our people;
- Ability to attract talented new recruits, and
- Increased levels of profitability and re-investment.

During the year ended April 2020 the successful delivery of existing and new projects during the year resulted in an increase in turnover, profit levels and cash reserves compared to the previous financial year within the LLP.

At the reporting date the group had net assets of £4,130,834 and the directors are satisfied with the financial health of the group.

Project news

The business continued to work for a mixture of client organisations including Central and Local Government, private institutions, trusts and private individuals. This has enabled Purcell to develop existing client relationships and also to secure new projects across a wide variety of sectors, regions and varying project sizes.

Purcell's completed project work continues to be recognised by the wider profession, both at home and abroad, including;

- UNESCO Asia Pacific award for Tai Kwun Centre for Heritage and Art, Hong Kong
- RIBA awards for St Fagans National Museum of History, Cardiff
- Civic Trust awards for Kresen Kernow, Cornwall and Durham Cathedral Open Treasure
- International Hotel and Property awards for Mandarin Oriental, Hyde Park, London and The Glasshouse at The Grove
- Europa Nostra Award (Conservation) for Yr Ysgwrn, Wales
- RICS Social Impact award, Holyhead Market Hall, Wales

PURCELL ARCHITECTURE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2020

Principal risks and uncertainties

Winning new work and competition from other practices: The Board is conscious of the need to maintain sufficient workload to optimise its resources and so support its financial targets. We continue to seek new work via fostering relationships with both existing clients and building relationships with new. Our core ethos is also collaboration with other architects, consultants and key project stakeholders. We continually review the marketplace for emerging sectors where we can trailblaze.

Covid-19 pandemic: The Board is conscious of the ongoing Covid-19 pandemic and the impact that this is having on the public sector construction industry, the wider global economy and the internal operations of the group itself. The board continues to monitor the position and react accordingly. During the pandemic it is clear the construction sector has maintained a good level of resilience.

Brexit and the changing political environment: The Board is conscious of developments and aims to keep abreast of emerging trends and believes the best approach is to maintain business as usual.

Financial Risks

The business objective is to minimise risk and uncertainties through well established internal controls and procedures

Liquidity Risk

The business establishes an annual budget including cashflow projections and produces regular detailed forecasts looking twelve months ahead so that the management can ensure that sufficient funding is in place to meet investment needs and the business payment obligations as they arise. The business is debt adverse and avoids financing loans and leases wherever possible. We have a long established objective to build and maintain a substantial cash reserve.

Credit Risk

The business monitors credit risk closely and considers that its current procedures for debtors management meet its objective of managing exposure to risks.

Currency Risk

The business monitors its exposure to currency risks and currently considers the exposure to be low.

Financial key performance indicators

The financial performance of the group is discussed above within the business review section. Given the straight forward nature of the group's business the directors see no need for further analysis of key performance indicators to understand the group's position.

This report was approved by the board and signed on its behalf.

M W Goldspink
Director



Date:

10 - 12 - 20

PURCELL ARCHITECTURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2020

The directors present their report and the financial statements for the year ended 30 April 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the group in the year under review was that of providing architectural and heritage consultancy.

Results and dividends

The profit for the year, after taxation, amounted to £1,396,573 (2019 - £NIL).

There have been no dividends paid in the year (2019: £Nil).

Directors

The directors who served during the year were:

A R Clark
M W Goldspink

Future developments

The group continues to invest its infrastructure and operations to ensure it continues to deliver the highest standard of services to our clients. Our 'collective ambition' sets out the key objectives of our business, and this, together with our move to employee ownership, sets us in good stead for our future development.

PURCELL ARCHITECTURE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

Research and development activities

Purcell has a reputation for providing innovative and sustainable solutions for listed and historic buildings, from heritage conservation to full redesign and masterplanning, which often meet and exceed technical requirements with limited compromise. This has resulted in total expenditure on research and development in the year of £1,704,630.

Engagement with employees

The group is an equal opportunities employer and treat all employees and job applicants equally, irrespective of race, ethnicity, gender, sexual orientation, marital status, age, disability or religion.

Within the bounds of commercial confidentiality, information is disseminated to all levels of the staff about matters that affect the progress of the group and are of interest and concern to them as employees.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

M W Goldspink
Director



Date:

10 - 12 - 20

PURCELL ARCHITECTURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PURCELL ARCHITECTURE LIMITED

Opinion

We have audited the financial statements of Purcell Architecture Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2020, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity 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 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 Group's and of the parent Company's affairs as at 30 April 2020 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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

PURCELL ARCHITECTURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PURCELL ARCHITECTURE LIMITED (CONTINUED)

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.

Opinion 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

PURCELL ARCHITECTURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PURCELL ARCHITECTURE LIMITED
(CONTINUED)

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Other matters

In the previous accounting period the directors of the company took advantage of audit exemption under section 477 of the Companies Act 2006. Therefore the prior period financial statements were not subject to audit.

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Ian Fitch FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

16 December 2020

PURCELL ARCHITECTURE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020

| | Note | 2020 £ | 2019 £ |
|--|------|------------------|-----------|
| Turnover | 4 | 20,757,524 | - |
| Cost of sales | | (12,705,904) | - |
| Gross profit | | 8,051,620 | - |
| Administrative expenses | | (6,844,465) | - |
| Other operating income | | 70,280 | - |
| Operating profit | 6 | 1,277,435 | - |
| Interest receivable and similar income | 10 | 1,171 | - |
| Profit before tax | | 1,278,606 | - |
| Tax on profit | 11 | 117,967 | - |
| Profit for the financial year | | 1,396,573 | - |
| Other comprehensive income for the year | | | |
| Foreign exchange reserve movement | | 47,994 | - |
| Other comprehensive income for the year | | 47,994 | - |
| Total comprehensive income for the year | | 1,444,567 | - |
| Profit for the year attributable to: | | | |
| Owners of the parent company | | 1,396,573 | - |
| | | 1,396,573 | - |

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED
REGISTERED NUMBER: 11310436

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 12 | 857,143 | - |
| Tangible assets | 13 | 265,404 | - |
| | | <u>1,122,547</u> | <u>-</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 5,359,052 | - |
| Cash at bank and in hand | 16 | 2,277,686 | 2 |
| | | <u>7,636,738</u> | <u>2</u> |
| Creditors: amounts falling due within one year | 17 | (4,342,886) | - |
| Net current assets | | <u>3,293,852</u> | <u>2</u> |
| Total assets less current liabilities | | <u>4,416,399</u> | <u>2</u> |
| Provisions for liabilities | | | |
| Deferred tax | 18 | (20,172) | - |
| Other provisions | 19 | (265,393) | - |
| | | <u>(285,565)</u> | <u>-</u> |
| Net assets | | <u><u>4,130,834</u></u> | <u><u>2</u></u> |

PURCELL ARCHITECTURE LIMITED
REGISTERED NUMBER: 11310436

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2020

| | Note | 2020 £ | 2019 £ |
|-----------------------------|------|------------------|-----------|
| Capital and reserves | | | |
| Called up share capital | 20 | 100,000 | 2 |
| Foreign exchange reserve | 21 | 47,994 | - |
| Merger relief reserve | 21 | 2,586,267 | - |
| Profit and loss account | 21 | 1,396,573 | - |
| | | <u>4,130,834</u> | <u>2</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M W Goldspink
Director

M.W. Goldspink

Date:

10-12-20

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED
REGISTERED NUMBER: 11310436

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2020

| | Note | 2020 £ | 2019 £ |
|--|------|-------------------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 12 | 857,143 | - |
| Tangible assets | 13 | 259,278 | - |
| Investments | 14 | 373,011 | - |
| | | <u>1,489,432</u> | <u>-</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 15 | 5,087,069 | - |
| Cash at bank and in hand | 16 | 1,579,304 | 2 |
| | | <u>6,666,373</u> | <u>2</u> |
| Creditors: amounts falling due within one year | 17 | (3,916,429) | - |
| | | <u>2,749,944</u> | <u>2</u> |
| Net current assets | | <u>2,749,944</u> | <u>2</u> |
| Total assets less current liabilities | | <u>4,239,376</u> | <u>2</u> |
| Provisions for liabilities | | | |
| Deferred taxation | 18 | (20,172) | - |
| Other provisions | 19 | (265,393) | - |
| | | <u>(285,565)</u> | <u>-</u> |
| Net assets | | <u><u>3,953,811</u></u> | <u><u>2</u></u> |

PURCELL ARCHITECTURE LIMITED
REGISTERED NUMBER: 11310436

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2020

| | Note | 2020 £ | 2019 £ |
|---|------|-------------------------|-----------------|
| Capital and reserves | | | |
| Called up share capital | 20 | 100,000 | 2 |
| Merger relief reserve | 21 | 2,586,267 | - |
| Profit for the year | | <u>1,267,544</u> | <u>-</u> |
| Profit and loss account carried forward | | <u>1,267,544</u> | <u>-</u> |
| | | <u><u>3,953,811</u></u> | <u><u>2</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M W Goldspink
Director

M.W. Goldspink

Date: 10 - 12 - 20

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020**

| | Called up share capital | Foreign exchange reserve | Merger relief reserve | Profit and loss account | Total equity |
|--|--|---|--------------------------------------|--|-------------------------|
| | £ | £ | £ | £ | £ |
| At 1 May 2019 | 2 | - | - | - | 2 |
| Comprehensive income for the year | | | | | |
| Profit for the year | - | - | - | 1,396,573 | 1,396,573 |
| Foreign exchange reserve movement | - | 47,994 | - | - | 47,994 |
| Other comprehensive income for the year | - | 47,994 | - | - | 47,994 |
| Total comprehensive income for the year | - | 47,994 | - | 1,396,573 | 1,444,567 |
| Shares issued during the year | 99,998 | - | - | - | 99,998 |
| Share merger relief on acquisition | - | - | 2,586,267 | - | 2,586,267 |
| Total transactions with owners | 99,998 | - | 2,586,267 | - | 2,686,265 |
| At 30 April 2020 | 100,000 | 47,994 | 2,586,267 | 1,396,573 | 4,130,834 |

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019

| | Called up share capital £ | Total equity £ |
|---|------------------------------------|-------------------|
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | - | - |
| Shares issued during the year | 2 | 2 |
| Total transactions with owners | 2 | 2 |
| At 30 April 2019 | 2 | 2 |

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2020

| | Called up share capital | Merger relief reserve | Profit and loss account | Total equity |
|---|-------------------------------|--------------------------|-------------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 May 2019 | 2 | - | - | 2 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 1,267,544 | 1,267,544 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 1,267,544 | 1,267,544 |
| Contributions by and distributions to owners | | | | |
| Shares issued during the year | 99,998 | - | - | 99,998 |
| Share merger relief on acquisition | - | 2,586,267 | - | 2,586,267 |
| Total transactions with owners | 99,998 | 2,586,267 | - | 2,686,265 |
| At 30 April 2020 | 100,000 | 2,586,267 | 1,267,544 | 3,953,811 |

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019

| | Called up share capital £ | Total equity £ |
|--|------------------------------------|-------------------|
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | - | - |
| Contributions by and distributions to owners | | |
| Shares issued during the year | 2 | 2 |
| Total transactions with owners | 2 | 2 |
| At 30 April 2019 | 2 | 2 |

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020

| | 2020 £ | 2019 £ |
|---|------------------|-----------|
| Cash flows from operating activities | | |
| Profit for the financial year | 1,396,573 | - |
| Adjustments for: | | |
| Amortisation of intangible assets | 142,857 | - |
| Depreciation of tangible assets | 107,414 | - |
| Loss on disposal of tangible assets | 393 | - |
| Government grants | (70,280) | - |
| Interest received | (1,171) | - |
| Taxation charge | (117,967) | - |
| Decrease in debtors | 109,482 | - |
| (Decrease)/increase in creditors | (382,881) | - |
| Increase in provisions | 66,244 | - |
| Corporation tax received | 59,488 | - |
| Net cash generated from operating activities | 1,310,152 | - |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (181,175) | - |
| Interest received | 1,171 | - |
| Net cash from investing activities | (180,004) | - |
| Cash flows from financing activities | | |
| Issue of ordinary shares | - | 2 |
| Cash received on acquisition | 1,147,536 | - |
| Net cash used in financing activities | 1,147,536 | 2 |
| Net increase in cash and cash equivalents | 2,277,684 | 2 |
| Cash and cash equivalents at beginning of year | 2 | - |
| Cash and cash equivalents at the end of year | 2,277,686 | 2 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 2,277,686 | 2 |
| | 2,277,686 | 2 |

PURCELL ARCHITECTURE LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 APRIL 2020**

| | At 1 May 2019 £ | Cash flows £ | At 30 April 2020 £ |
|--------------------------|-----------------------|------------------|--------------------------|
| Cash at bank and in hand | 2 | 2,277,684 | 2,277,686 |
| | <u>2</u> | <u>2,277,684</u> | <u>2,277,686</u> |

The notes on pages 19 to 42 form part of these financial statements.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1. General information

Purcell Architecture Limited is a company limited by shares registered in England and Wales under registration number 11310436. The registered office address is 15 Bermondsey Square, London SE1 3UN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The financial statements are presented in Sterling (£) and are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.3 Going concern

The Directors have considered the group's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the group and the wider economy.

The Directors have prepared forecasts for the short term and have also considered the current financial strength of the group, together with the range of measures the Directors can take to mitigate ongoing costs should they need to, and ultimately should it be required, the support still being offered by the UK government for which the Company is eligible.

The group continues to be successful in winning new work and the Directors have carried out cost saving reviews as necessary to ensure the ongoing financial security of the group. The Group continues to have significant cash reserves and is not reliant on external borrowing.

Based on this, the Directors have concluded that they have a reasonable expectation that the group will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Long term contract accounting

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording revenue and related costs as contract activity progresses.

Revenue is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision on loss making contracts is made on all contracts in the year in which they are first foreseen.

Amounts for work done which have not yet been invoiced are shown within debtors as amounts recoverable on contracts. Amounts invoiced in advance of the work being done are included within creditors as accruals and deferred income.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of 7 years.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---------------------------|----------------------------|
| Instruments and equipment | - 20% straight line |
| Fixtures and fittings | - 20% straight line |
| Computer equipment | - 20% to 33% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured,

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.21 Financial instruments (continued)

initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Long term contracts - Revenue recognition: The Group makes an estimate of the degree of completion on long term contracts at the year end date by considering the percentage of work done on each contract at the year end date. The appropriate level of revenue, based on the degree of completion, is then taken to the Statement of Income for the year. Any losses foreseen on each contract are taken to the Statement of Income in the year in which a loss becomes foreseen.

Useful economic lives of tangible assets: The annual depreciation charge of tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Dilapidation provision: The Group leases properties which require any dilapidations at the end of the lease to be made good. Management have estimated a provision based on the condition of the properties, previous experience and market indices.

Impairment of debtors: The Group makes an estimate of the recoverable value of trade debtors and other debtors. Management consider factors including the current credit rating of the debtor, the aging profile of debtors and historical experience.

Impairment of goodwill: The Group makes an estimate of the useful economic life of the acquired goodwill and writes the value off accordingly. The useful economic lives are re-assessed annually.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2020 £ | 2019 £ |
|------------|-------------------|-----------|
| Fee income | 20,757,524 | - |
| | <u>20,757,524</u> | <u>-</u> |

89.9% of the total turnover of the Group for the period has been derived from its principal activity undertaken in the United Kingdom.

The remaining 10.1% has been derived from activities undertaken outside of the United Kingdom.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

5. Other operating income

| | 2020 £ | 2019 £ |
|------------------------------|---------------|-----------|
| Government grants receivable | 70,280 | - |
| | <u>70,280</u> | <u>-</u> |

6. Operating profit

The operating profit is stated after charging:

| | 2020 £ | 2019 £ |
|-------------------------------|----------------|-----------|
| Exchange differences | (7,383) | - |
| Other operating lease rentals | 964,577 | - |
| | <u>964,577</u> | <u>-</u> |

7. Auditors' remuneration

| | 2020 £ | 2019 £ |
|---|---------------|-----------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 29,000 | - |
| | <u>29,000</u> | <u>-</u> |

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

8. Employees

Staff costs, including directors' remuneration, were as follows:

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Wages and salaries | 9,470,057 | - | 8,625,058 | - |
| Social security costs | 931,360 | - | 931,360 | - |
| Cost of defined contribution scheme | 420,763 | - | 420,763 | - |
| | <u>10,822,180</u> | <u>-</u> | <u>9,977,181</u> | <u>-</u> |

Staff costs include the provision at the Statement of Financial Position date for the cost of staff holiday pay accrued but not taken and eligible to be carried forward.

The average monthly number of employees, including the directors, during the year was as follows:

| | Group 2020 No. | <i>Group 2019 No.</i> | Company 2020 No. | <i>Company 2019 No.</i> |
|----------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Technical | 204 | 2 | 192 | 2 |
| Administration | 55 | - | 55 | - |
| | <u>259</u> | <u>2</u> | <u>247</u> | <u>2</u> |

9. Directors' remuneration

| | 2020 £ | <i>2019 £</i> |
|-----------------------|-------------------|-------------------|
| Directors' emoluments | 18,928 | - |
| | <u>18,928</u> | <u>-</u> |

10. Interest receivable

| | 2020 £ | <i>2019 £</i> |
|---------------------------|-------------------|-------------------|
| Other interest receivable | 1,171 | - |
| | <u>1,171</u> | <u>-</u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

11. Taxation

| | 2020 £ | 2019 £ |
|---|------------------|-----------|
| Corporation tax | | |
| Current tax on profits for the year | (155,249) | - |
| | <u>(155,249)</u> | <u>-</u> |
| Foreign tax | | |
| Tax on overseas income for the year | 17,110 | - |
| | <u>17,110</u> | <u>-</u> |
| Total current tax | <u>(138,139)</u> | <u>-</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 20,172 | - |
| | <u>20,172</u> | <u>-</u> |
| Total deferred tax | <u>20,172</u> | <u>-</u> |
| Taxation on (loss)/profit on ordinary activities | <u>(117,967)</u> | <u>-</u> |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £ | 2019 £ |
|--|------------------|-----------|
| Profit on ordinary activities before tax | <u>1,278,606</u> | <u>-</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | 242,935 | - |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 10,110 | - |
| Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge | (371,012) | - |
| Total tax charge for the year | <u>(117,967)</u> | <u>-</u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

11. Taxation (continued)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

12. Intangible assets

Group

| | Goodwill £ |
|-------------------------------------|-----------------------|
| Cost | |
| Additions | 1,000,000 |
| At 30 April 2020 | <u>1,000,000</u> |
| Amortisation | |
| Charge for the year on owned assets | 142,857 |
| At 30 April 2020 | <u>142,857</u> |
| Net book value | |
| At 30 April 2020 | <u><u>857,143</u></u> |
| At 30 April 2019 | <u><u>-</u></u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

12. Intangible assets (continued)

Company

| | Goodwill £ |
|-----------------------|-----------------------|
| Cost | |
| Additions | 1,000,000 |
| At 30 April 2020 | <u>1,000,000</u> |
| Amortisation | |
| Charge for the year | 142,857 |
| At 30 April 2020 | <u>142,857</u> |
| Net book value | |
| At 30 April 2020 | <u><u>857,143</u></u> |
| At 30 April 2019 | <u><u>-</u></u> |

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

13. Tangible fixed assets

Group

| | Fixtures and fittings £ | Instruments and Equipment £ | Computer equipment £ | Total £ |
|-------------------------------------|-------------------------------|--------------------------------------|----------------------------|----------------|
| Cost or valuation | | | | |
| Additions | 1,202 | 13,649 | 166,324 | 181,175 |
| Arising on business combination | 52,186 | 10,139 | 165,282 | 227,607 |
| Disposals | - | - | (4,275) | (4,275) |
| Exchange adjustments | 14 | 94 | 1,735 | 1,843 |
| At 30 April 2020 | <u>53,402</u> | <u>23,882</u> | <u>329,066</u> | <u>406,350</u> |
| Depreciation | | | | |
| Charge for the year on owned assets | 24,243 | 6,142 | 84,963 | 115,348 |
| Arising on business combination | 64 | 1,662 | 26,474 | 28,200 |
| Disposals | - | - | (3,882) | (3,882) |
| Exchange adjustments | 3 | 82 | 1,195 | 1,280 |
| At 30 April 2020 | <u>24,310</u> | <u>7,886</u> | <u>108,750</u> | <u>140,946</u> |
| Net book value | | | | |
| At 30 April 2020 | <u>29,092</u> | <u>15,996</u> | <u>220,316</u> | <u>265,404</u> |
| At 30 April 2019 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

13. Tangible fixed assets (continued)

Company

| | Fixtures and fittings £ | Instruments and Equipment £ | Computer equipment £ | Total £ |
|-------------------------------------|-------------------------------|--------------------------------------|----------------------------|------------|
| Cost or valuation | | | | |
| Additions | 392 | 13,649 | 166,324 | 180,365 |
| Arising on business combination | 51,864 | 8,061 | 126,795 | 186,720 |
| Disposals | - | - | (393) | (393) |
| At 30 April 2020 | 52,256 | 21,710 | 292,726 | 366,692 |
| Depreciation | | | | |
| Charge for the year on owned assets | 24,014 | 5,714 | 77,686 | 107,414 |
| At 30 April 2020 | 24,014 | 5,714 | 77,686 | 107,414 |
| Net book value | | | | |
| At 30 April 2020 | 28,242 | 15,996 | 215,040 | 259,278 |
| At 30 April 2019 | - | - | - | - |

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

14. Fixed asset investments

Company

| | Investments in subsidiary companies £ |
|--------------------------|---|
| Cost or valuation | |
| Additions | 1,302,925 |
| Amounts written off | (929,914) |
| At 30 April 2020 | <u>373,011</u> |

Details of subsidiary companies are given in note 28.

15. Debtors

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 3,686,626 | - | 3,053,115 | - |
| Amounts owed by group undertakings | - | - | 398,909 | - |
| Other debtors | 361,501 | - | 357,822 | - |
| Prepayments and accrued income | 431,414 | - | 418,651 | - |
| Amounts recoverable on long term contracts | 879,511 | - | 858,572 | - |
| | <u>5,359,052</u> | <u>-</u> | <u>5,087,069</u> | <u>-</u> |

16. Cash and cash equivalents

| | Group 2020 £ | Group 2019 £ | Company 2020 £ | Company 2019 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | 2,277,686 | 2 | 1,579,304 | 2 |
| | <u>2,277,686</u> | <u>2</u> | <u>1,579,304</u> | <u>2</u> |

PURCELL ARCHITECTURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

17. Creditors: Amounts falling due within one year

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 1,002,346 | - | 1,001,971 | - |
| Corporation tax | 59,037 | - | - | - |
| Other taxation and social security | 868,714 | - | 833,536 | - |
| Accruals | 1,276,477 | - | 944,610 | - |
| Deferred income | 1,136,312 | - | 1,136,312 | - |
| | <u>4,342,886</u> | <u>-</u> | <u>3,916,429</u> | <u>-</u> |

18. Deferred taxation

Group

| | 2020 £ |
|---------------------------|-------------------|
| Charged to profit or loss | (20,172) |
| At end of year | <u>(20,172)</u> |

Company

| | 2020 £ |
|---------------------------|-------------------|
| Charged to profit or loss | (20,172) |
| At end of year | <u>(20,172)</u> |

| | Group 2020 £ | Company 2020 £ |
|--------------------------------|-----------------------------|-------------------------------|
| Accelerated capital allowances | (20,172) | (20,172) |
| | <u>(20,172)</u> | <u>(20,172)</u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

19. Provisions

Group

| | Dilapidation provision £ |
|----------------------------------|--------------------------------|
| Charged to profit or loss | 66,244 |
| Arising on business combinations | 199,149 |
| At 30 April 2020 | <u>265,393</u> |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

19. Provisions (continued)

Company

| | Dilapidation provision £ |
|----------------------------------|--------------------------------|
| Charged to profit or loss | 66,244 |
| Arising on business combinations | 199,149 |
| At 30 April 2020 | <u>265,393</u> |

20. Share capital

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Allotted, called up and fully paid | | |
| 100,000 (2019 - 2) Ordinary shares of £1.00 each | <u>100,000</u> | <u>2</u> |

During the year 99,998 shares were issued at £26.86 per share.

The Ordinary shares comprise both MG Ordinary shares and AC Ordinary shares. The shares rank pari passu.

21. Reserves

Foreign exchange reserve

The foreign exchange reserve comprises translation differences arising from the translation of financial statements of the group's foreign subsidiaries into Sterling.

Merger Reserve

The merger relief reserve represents the excess over nominal value of shares issued on the acquisition of Purcell Miller Tritton LLP in 2019.

Profit and loss account

The profit and loss reserve includes all cumulative profits and losses to date.

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

22. Business combinations

On 1 May 2019 the entire trade and assets of Purcell Miller Tritton LLP was acquired by Purcell Architecture Limited. This included the investments in the three subsidiary companies outlined in note 27.

This acquisition has been accounted for under the acquisition accounting method allowable under FRS 102 whereby the net assets of Purcell Miller Tritton LLP were acquired at fair value by the issue of shares in Purcell Architecture Limited creating goodwill on the acquisition.

Acquisition of Purcell Miller Tritton LLP

Recognised amounts of identifiable assets acquired and liabilities assumed

| | Book value £ | Fair value adjustment £ | Fair value £ |
|--------------------------------------|------------------|-------------------------------|------------------|
| Tangible | 199,391 | - | 199,391 |
| | <u>199,391</u> | <u>-</u> | <u>199,391</u> |
| Debtors | 5,269,145 | - | 5,269,145 |
| Cash at bank and in hand | 1,147,536 | - | 1,147,536 |
| | <u>6,616,072</u> | <u>-</u> | <u>6,616,072</u> |
| Total assets | 6,616,072 | - | 6,616,072 |
| Due within one year | (4,730,656) | - | (4,730,656) |
| Provisions | (199,149) | - | (199,149) |
| | <u>1,686,267</u> | <u>-</u> | <u>1,686,267</u> |
| Total identifiable net assets | 1,686,267 | - | 1,686,267 |
| Goodwill | | | 1,000,000 |
| | | | <u>2,686,267</u> |
| Total purchase consideration | | | 2,686,267 |

PURCELL ARCHITECTURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

22. Business combinations (continued)
Consideration

| | |
|-------------------------------------|------------------|
| | £ |
| Equity instruments | 2,686,267 |
| Total purchase consideration | 2,686,267 |

23. Contingent liabilities

On 30 April 2019 a put and call option agreement was signed between the shareholders of Purcell Architecture Limited and Purcell Trustees Limited as trustee for the Purcell Employee Benefit Trust for the sale of the shares in Purcell Architecture Limited.

Under the agreement, Purcell Architecture Limited acts a guarantor liable for any sums unable to be paid by Purcell Trustees Limited on the sale of the shares.

As at the date of signing the financial statements these options have not been exercised and therefore no liability exists.

24. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independent administered fund. The pension cost charge represents contributions payable by the group to the fund and for the year amounted to £420,763 (2019: £nil). Contributions outstanding at the year end were £Nil (2019: £nil).

25. Commitments under operating leases

At 30 April 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2020 £ | <i>Group 2019 £</i> | Company 2020 £ | <i>Company 2019 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Not later than 1 year | 607,673 | - | 600,990 | - |
| Later than 1 year and not later than 5 years | 1,431,863 | - | 1,431,863 | - |
| Later than 5 years | 421,120 | - | 421,120 | - |
| | 2,460,656 | <i>-</i> | 2,453,973 | <i>-</i> |

PURCELL ARCHITECTURE LIMITED

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26. Related party transactions

The group has taken advantage of the exemption available under FRS 102 not to disclose the transactions between wholly owned members of the group.

Key management personnel remuneration for the year was £843,748 (2019: £Nil).

On 1 May 2019 the entire trade and assets of Purcell Miller Tritton LLP, an entity of which M W Goldspink and A R Clark are the designated members, were acquired by the company at fair value in exchange for shares issued by the company.

27. Controlling party

The company is controlled by M W Goldspink.

28. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Registered office | Class of shares | Holding |
|--|---|-----------------|---------|
| Purcell Miller Tritton Hong Kong Limited | 1106-8, 11/F, Tai Yua Building, No 181 Johnstion Road, Wanchai, Hong Kong | Ordinary | 100% |
| Purcell Asia Pacific Limited | 1106-8, 11/F, Tai Yua Building, No 181 Johnstion Road, Wanchai, Hong Kong | Ordinary | 100% |
| Purcell Land & Property Developments Limited | Same as this company | Ordinary | 100% |
| Purcell Architecture Australia PTY Ltd | Unit 26, 14 Jubilee Avenue, Warriewood, NSW 2102, Australia | Ordinary | 100% |

Purcell Architecture Australia PTY Ltd was incorporated in the year but remains dormant.

Purcell Land & Property Developments Limited has been dissolved post year end.