

PEGWN FINANCE LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

PEGWN FINANCE LTD
REGISTERED NUMBER: 09724708

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets	5	108,244	43,670
		<u>108,244</u>	<u>43,670</u>
Current assets			
Debtors: amounts falling due within one year	6	637,912	482,551
Cash at bank and in hand		43,541	106,480
		<u>681,453</u>	<u>589,031</u>
Creditors: amounts falling due within one year	7	(404,735)	(242,817)
Net current assets		276,718	346,214
Total assets less current liabilities		384,962	389,884
Creditors: amounts falling due after more than one year	8	(104,351)	(167,030)
Provisions for liabilities			
Deferred tax	10	(23,626)	(332)
		<u>(23,626)</u>	<u>(332)</u>
Net assets		256,985	222,522
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		256,885	222,422
		<u>256,985</u>	<u>222,522</u>

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2021.

G Price
Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. General information

Pegwn Finance Ltd is a private limited company listed by shares and it is incorporated and domiciled in Wales. The address of its registered office is Cysgod Y Plas, Castell Pigyn, Abergwili, Carmarthen, SA31 2JL.

The principal activity of Pegwn Finance Ltd is consultancy services.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Company 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.

2.3 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.8 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	Reducing balance
Motor vehicles	-	25%	Reducing balance

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.

2.9 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.

2.10 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance sheet.

2.13 Financial instruments

The Company 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.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates nor assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 September 2020	-	44,599	44,599
Additions	90,900	21,700	112,600
Disposals	-	(44,599)	(44,599)
	<u>90,900</u>	<u>21,700</u>	<u>112,600</u>
At 31 August 2021	90,900	21,700	112,600
Depreciation			
At 1 September 2020	-	929	929
Charge for the year on owned assets	1,008	3,348	4,356
Disposals	-	(929)	(929)
	<u>1,008</u>	<u>3,348</u>	<u>4,356</u>
At 31 August 2021	1,008	3,348	4,356
Net book value			
At 31 August 2021	<u>89,892</u>	<u>18,352</u>	<u>108,244</u>
At 31 August 2020	<u>-</u>	<u>43,670</u>	<u>43,670</u>

6. Debtors

	2021 £	2020 £
Trade debtors	42,312	60,298
Other debtors	595,600	422,253
	<u>637,912</u>	<u>482,551</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	33,401	17,550
Trade creditors	89,933	1,231
Corporation tax	126,569	139,966
Other taxation and social security	8,908	43,469
Obligations under finance lease and hire purchase contracts	-	7,320
Other creditors	144,674	31,241
Accruals and deferred income	1,250	2,040
	<u>404,735</u>	<u>242,817</u>

The amount of £17,800 included in creditors due within one year is subject to a UK Government guarantee. The facility is provided through the Bounce Back Loan Scheme (BBLS), managed by the British Business Bank on behalf of and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy. The BBLS guarantee is provided to the lender.

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	104,351	137,749
Net obligations under finance leases and hire purchase contracts	-	29,281
	<u>104,351</u>	<u>167,030</u>

The amount of £69,250 included in creditors due after one year is subject to a UK Government guarantee. The facility is provided through the Bounce Back Loan Scheme (BBLS), managed by the British Business Bank on behalf of and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy. The BBLS guarantee is provided to the lender.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	33,401	17,550
	<u>33,401</u>	<u>17,550</u>
Amounts falling due 2-5 years		
Bank loans	104,350	121,901
	<u>104,350</u>	<u>121,901</u>
Amounts falling due after more than 5 years		
Bank loans	-	15,850
	<u>-</u>	<u>15,850</u>
	<u>137,751</u>	<u>155,301</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Deferred taxation

	2021 £
At beginning of year	(332)
Charged to profit or loss	(23,294)
At end of year	(23,626)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(25,904)	(332)
Tax losses carried forward	2,278	-
	(23,626)	(332)

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary Share shares of £1.00 each	100	100

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £NIL (2020 - £154). Contributions totalling £NIL (2020 - £NIL) were payable to the fund at the balance sheet date and are included in creditors.

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.