

**PREPARED FOR THE REGISTRAR  
D J MITCHELL LIMITED  
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**D J Mitchell Limited**

**Contents**

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3 to 10</u>

## **D J Mitchell Limited**

### **Company Information**

<b>Directors</b>	R Guo B G Chiuriri M S H Dieh
<b>Registered office</b>	130-132 Newbegin Hornsea East Yorkshire HU18 1PB
<b>Accountants</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

**D J Mitchell Limited****(Registration number: 03788653)****Balance Sheet as at 31 August 2020**

	<b>Note</b>	<b>31 August 2020 £</b>	<b>31 August 2019 £</b>
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	-	2,840
Tangible assets	<u>5</u>	10,549	12,410
		<u>10,549</u>	<u>15,250</u>
<b>Current assets</b>			
Stocks		54,971	67,832
Debtors	<u>6</u>	553,414	353,129
Cash at bank and in hand		<u>10,727</u>	<u>96,438</u>
		619,112	517,399
Creditors: Amounts falling due within one year	<u>7</u>	<u>(225,672)</u>	<u>(219,474)</u>
Net current assets		<u>393,440</u>	<u>297,925</u>
Total assets less current liabilities		403,989	313,175
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(73,097)</u>	<u>(40,103)</u>
Deferred tax liabilities	<u>9</u>	<u>(1,884)</u>	<u>(2,110)</u>
Net assets		<u>329,008</u>	<u>270,962</u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>328,908</u>	<u>270,862</u>
Total equity		<u>329,008</u>	<u>270,962</u>

For the financial year ending 31 August 2020 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 22 February 2021 and signed on its behalf by:

.....

R Guo  
Director

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

**Notes to the Financial Statements for the Year Ended 31 August 2020**

**1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
130-132 Newbegin  
Hornsea  
East Yorkshire  
HU18 1PB

**2 Accounting policies**

**Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

**Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

This statement is made subject to all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy, as these are difficult to evaluate. Actual results could therefore be significantly different from the current forecasts and projections.

**Critical accounting judgements and key sources of estimation uncertainty**

**In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.**

**The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.**

**Judgements**

No significant judgements have been made by management in preparing these financial statements.

## **D J Mitchell Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### **Tax**

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

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 operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and fittings	15% reducing balance basis

#### **Goodwill**

Goodwill is amortised over its useful life, estimated by the directors to be 20 years.

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **D J Mitchell Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.



Notes to the Financial Statements for the Year Ended 31 August 2020

Financial instruments

**Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

**Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

3 Staff numbers

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

	Year ended 31 August 2020 No.	6 September 2018 to 31 August 2019 No.
Average number of employees	9	10

# D J Mitchell Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 4 Intangible assets

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 September 2019	300,000
At 31 August 2020	300,000
<b>Amortisation</b>	
At 1 September 2019	297,160
Amortisation charge	2,840
At 31 August 2020	300,000
<b>Carrying amount</b>	
At 31 August 2020	-
At 31 August 2019	2,840

### 5 Tangible assets

	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 September 2019	36,778	36,778
At 31 August 2020	36,778	36,778
<b>Depreciation</b>		
At 1 September 2019	24,368	24,368
Charge for the period	1,861	1,861
At 31 August 2020	26,229	26,229
<b>Carrying amount</b>		
At 31 August 2020	10,549	10,549
At 31 August 2019	12,410	12,410

### 6 Debtors

	<b>Note</b>	<b>31 August 2020 £</b>	<b>31 August 2019 £</b>
Trade debtors		153,154	76,818
Amounts owed by related parties	<u>10</u>	381,016	268,087
Other debtors		15,802	2,803
Prepayments		3,442	5,421
		<u>553,414</u>	<u>353,129</u>

# D J Mitchell Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 7 Creditors

#### Creditors: amounts falling due within one year

	Note	31 August 2020 £	31 August 2019 £
<b>Due within one year</b>			
Loans and borrowings	8	26,365	18,139
Trade creditors		129,402	168,774
Amounts due to related parties	10	13,083	9,000
Social security and other taxes		1,476	824
Outstanding defined contribution pension costs		634	675
Other creditors		51,953	18,753
Accrued expenses		2,759	3,309
		<u>225,672</u>	<u>219,474</u>
<b>Due after one year</b>			
Loans and borrowings	8	<u>73,097</u>	<u>40,103</u>

### 8 Loans and borrowings

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	17,916	6,986
Other borrowings	8,449	11,153
	<u>26,365</u>	<u>18,139</u>
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>73,097</u>	<u>40,103</u>

Included in the loans and borrowings are the following amounts due after more than five years:

#### Borrowings due after five years

	2020 £	2019 £
After more than five years by instalments	6,667	12,159
	<u>6,667</u>	<u>12,159</u>

**D J Mitchell Limited****Notes to the Financial Statements for the Year Ended 31 August 2020****9 Deferred tax**

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2020</b>	
Capital allowances in advance of depreciation	1,884
	<hr/>
	<b>Liability £</b>
<b>2019</b>	
Capital allowances in advance of depreciation	2,110
	<hr/>

**10 Related party transactions****Summary of transactions with key management**

Key management personnel are considered to be the directors of the company.

At the balance sheet date, the company owed the directors £8,449 (2019: £11,153). There are no fixed repayment terms and no interest is charged on the loan.

**Transactions with directors**

	<b>At 1 September 2019 £</b>	<b>Advances to directors £</b>	<b>Repayments by director £</b>	<b>At 31 August 2020 £</b>
<b>2020</b>				
<b>R Guo</b>				
Director's loan account	12,671	(16,117)	3,563	117
	<hr/>	<hr/>	<hr/>	<hr/>
<b>B G Chiuriri</b>				
Director's loan account	(1,518)	(18,423)	28,273	8,332
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>At 6 September 2018 £</b>	<b>Advances to directors £</b>	<b>Repayments by director £</b>	<b>At 31 August 2019 £</b>
<b>2019</b>				
<b>R Guo</b>				
Director's loan account	(329)	(3,000)	16,000	12,671
	<hr/>	<hr/>	<hr/>	<hr/>
<b>B G Chiuriri</b>				
Director's loan account	(329)	(1,189)	-	(1,518)
	<hr/>	<hr/>	<hr/>	<hr/>



## **D J Mitchell Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Summary of transactions with other related parties**

##### **BEMR Investments Ltd**

(Parent company)

At the balance sheet date, the company was owed £329,016 (2019 - £141,647) by BEMR Investments Ltd. There are no fixed repayment terms and no interest is charged on the loan.

##### **BMER Properties Ltd**

(B Chiuriri and R Guo are also directors of BMER Properties Ltd)

During the year rent of £27,000 (2019 - £27,000) was charged to the company. At the balance sheet date, the company owed £13,083 (2019 - £9,000) to BMER Properties Ltd. There are no fixed repayment terms and no interest is charged on the loan.

##### **Morrill Investments Limited**

(R Guo is also a director of Morrill Investments Limited)

At the balance sheet date, the company was owed £52,000 (2019 - £nil) by Morrill Investments Limited. There are no fixed repayment terms and no interest is charged on the loan.

##### **Morril BTL Limited**

(B Chiuriri was also a director of Morrill BTL Limited)

During the year, a loan of £913 (2019 - £nil) was made to the company. The outstanding loan of £913 was written off during the year as this is not expected to be repaid. As at the balance sheet date, the company was owed £nil (2019 - £nil) by Morrill BTL Limited.

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