

**PREPARED FOR THE REGISTRAR
D J MITCHELL LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

D J Mitchell Limited

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D J Mitchell Limited

Company Information

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

D J Mitchell Limited**(Registration number: 03788653)****Balance Sheet as at 31 August 2021**

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>5</u>	11,402	10,549
Other financial assets	<u>6</u>	13,778	-
		<u>25,180</u>	<u>10,549</u>
Current assets			
Stocks		45,970	54,971
Debtors	<u>7</u>	676,128	553,414
Cash at bank and in hand		<u>92,492</u>	<u>10,727</u>
		814,590	619,112
Creditors: Amounts falling due within one year	<u>8</u>	<u>(273,319)</u>	<u>(225,672)</u>
Net current assets		<u>541,271</u>	<u>393,440</u>
Total assets less current liabilities		566,451	403,989
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(64,772)</u>	<u>(73,097)</u>
Deferred tax liabilities	<u>10</u>	<u>(2,349)</u>	<u>(1,884)</u>
Net assets		<u>499,330</u>	<u>329,008</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>499,230</u>	<u>328,908</u>
Total equity		<u>499,330</u>	<u>329,008</u>

For the financial year ending 31 August 2021 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 3 January 2022 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 Unaudited Financial Statements for the Year Ended 31 August 2021

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.

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.

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.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

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:

Asset class	Depreciation method and rate
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.

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.

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

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 Unaudited Financial Statements for the Year Ended 31 August 2021

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:

	2021 No.	2020 No.
Average number of employees	11	9

4 Intangible assets

	Goodwill £
Cost	
At 1 September 2020	300,000
At 31 August 2021	300,000
Amortisation	
At 1 September 2020	300,000
At 31 August 2021	300,000
Carrying amount	
At 31 August 2021	-
At 31 August 2020	-

5 Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1 September 2020	36,778	36,778
Additions	2,556	2,556
At 31 August 2021	39,334	39,334
Depreciation		
At 1 September 2020	26,229	26,229
Charge for the period	1,703	1,703
At 31 August 2021	27,932	27,932
Carrying amount		
At 31 August 2021	11,402	11,402
At 31 August 2020	10,549	10,549

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
Additions	10,000	10,000
Fair value adjustments	3,778	3,778
At 31 August 2021	13,778	13,778
Carrying amount		
At 31 August 2021	13,778	13,778
At 31 August 2020	-	-

7 Debtors

	Note	2021 £	2020 £
Trade debtors		212,807	153,154
Amounts owed by related parties	11	446,784	381,016
Other debtors		15,074	15,802
Prepayments		1,463	3,442
		676,128	553,414

D J Mitchell Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

8 Creditors

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	<u>9</u>	17,145	26,365
Trade creditors		170,765	129,402
Amounts due to related parties	<u>11</u>	16,887	13,083
Social security and other taxes		845	1,476
Outstanding defined contribution pension costs		703	634
Other creditors		64,027	51,953
Accrued expenses		2,947	2,759
		<u>273,319</u>	<u>225,672</u>
	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>9</u>	<u>64,772</u>	<u>73,097</u>

9 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	17,145	17,916
Other borrowings	-	8,449
	<u>17,145</u>	<u>26,365</u>
	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	<u>64,772</u>	<u>73,097</u>

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

Borrowings due after five years

	2021 £	2020 £
After more than five years by instalments	2,038	6,667
	<u>2,038</u>	<u>6,667</u>

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2021

10 Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Capital allowances in advance of depreciation	2,349
	<hr/>
	Liability £
2020	
Capital allowances in advance of depreciation	1,884
	<hr/>

11 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 £Nil (2020 - £8,449) to the directors of the company. There are no fixed repayment terms and no interest has been charged on the loan.

Summary of transactions with other related parties

BEMR Investments Ltd

(Parent company)

At the balance sheet date, the company was owed £444,784 (2020 - £329,016) 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 (2020 - £27,000) was charged to the company. At the balance sheet date, the company owed £16,887 (2020 - £13,083) 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 £2,000 (2020 - £52,000) by Morrill Investments Limited. There are no fixed repayment terms and no interest is charged on the loan.

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