

MERCIA REAL ESTATE LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2019

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BALANCE SHEET
AS AT 30 NOVEMBER 2019

	Note	30 November 2019 £	30 April 2019 £
Fixed assets			
Tangible assets	4	10,369	11,904
Investments	5	146	46
		<u>10,515</u>	<u>11,950</u>
Current assets			
Debtors	6	38,041	30,063
Cash at bank and in hand		11,533	27,032
		<u>49,574</u>	<u>57,095</u>
Creditors: amounts falling due within one year	7	(39,721)	(48,573)
Net current assets		<u>9,853</u>	<u>8,522</u>
Total assets less current liabilities		<u>20,368</u>	<u>20,472</u>
Provisions for liabilities			
Deferred tax	8	(1,970)	(2,262)
Net assets		<u><u>18,398</u></u>	<u><u>18,210</u></u>
Capital and reserves			
Called up share capital		12,500	12,500
Profit and loss account		5,898	5,710
		<u><u>18,398</u></u>	<u><u>18,210</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2019

The directors consider 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 period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their 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 profit and loss account 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 19 January 2021.

S T Clark
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

1. General information

Mercia Real Estate Ltd (the Company) is a private company, limited by shares, incorporated and domiciled in England. The address of its registered office is Maddox House, 117 Edmund Street, Birmingham, West Midlands, England, B3 2HJ, which is also the address of its principal place of business.

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:

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 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

2.5 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, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%	straight line
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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 the Statement of income and retained earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019**

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.8 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.

2.9 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.

2.10 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 the Statement of income and retained earnings 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.

2.11 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.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019

3. Employees

The average monthly number of employees, including directors, during the period was 2 (2019 - 3).

4. Tangible fixed assets

	Office equipment £
Cost	
At 1 May 2019	13,161
At 30 November 2019	13,161
Depreciation	
At 1 May 2019	1,257
Charge for the period on owned assets	1,535
At 30 November 2019	2,792
Net book value	
At 30 November 2019	10,369
At 30 April 2019	11,904

5. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost			
At 1 May 2019	1	45	46
Additions	100	-	100
At 30 November 2019	101	45	146

NOTES TO THE FINANCIAL STATEMENTS
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6. Debtors

	30 November 2019 £	30 April 2019 £
Trade debtors	16,009	15,296
Amounts owed by group undertakings	4,373	-
Other debtors	5,159	2,267
Called up share capital not paid	12,500	12,500
	<u>38,041</u>	<u>30,063</u>

7. Creditors: Amounts falling due within one year

	30 November 2019 £	30 April 2019 £
Trade creditors	16,807	11,513
Amounts owed to group undertakings	-	5,830
Corporation tax	17,504	16,800
Other taxation and social security	-	4,609
Other creditors	1,660	121
Accruals and deferred income	3,750	9,700
	<u>39,721</u>	<u>48,573</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 NOVEMBER 2019

8. Deferred taxation

	2019 £
At beginning of year	(2,262)
Charged to profit or loss	292
At end of year	<u>(1,970)</u>

The provision for deferred taxation is made up as follows:

	30 November 2019 £	30 April 2019 £
Deferred tax	<u>(1,970)</u>	<u>(2,262)</u>

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.