

MERCIA REAL ESTATE LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

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BALANCE SHEET
AS AT 30 NOVEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	2,473	5,105
Investments	5	245	245
		<u>2,718</u>	<u>5,350</u>
Current assets			
Stocks		1,326,220	1,072,918
Debtors	6	521,850	23,059
Cash at bank and in hand		9,807	310
		<u>1,857,877</u>	<u>1,096,287</u>
Creditors: amounts falling due within one year	7	(1,654,612)	(966,852)
Net current assets		<u>203,265</u>	<u>129,435</u>
Total assets less current liabilities		<u>205,983</u>	<u>134,785</u>
Provisions for liabilities			
Deferred tax	8	(470)	(970)
		<u>(470)</u>	<u>(970)</u>
Net assets		<u><u>205,513</u></u>	<u><u>133,815</u></u>
Capital and reserves			
Called up share capital		12,500	12,500
Profit and loss account		193,013	121,315
		<u><u>205,513</u></u>	<u><u>133,815</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2022

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 year 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 statement of income and retained earnings 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 21 August 2023.

S T Clark
Director

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

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 Company is the parent undertaking of a small group and as such, is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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%
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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 profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.9 Stocks

Work in progress is stated at the lower of cost and net realisable value.

2.10 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.

2.11 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.

2.12 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.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

4. Tangible fixed assets

	Office equipment £
Cost	
At 1 December 2021	13,161
At 30 November 2022	13,161
Depreciation	
At 1 December 2021	8,056
Charge for the year on owned assets	2,632
At 30 November 2022	10,688
Net book value	
At 30 November 2022	2,473
At 30 November 2021	5,105

5. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost			
At 1 December 2021	200	45	245
At 30 November 2022	200	45	245

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022

6. Debtors

	2022 £	2021 £
Trade debtors	4,500	-
Amounts owed by group undertakings	462,730	-
Other debtors	17,667	10,559
Called up share capital not paid	12,500	12,500
Prepayments and accrued income	24,453	-
	<u>521,850</u>	<u>23,059</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	47,405	17,054
Amounts owed to group undertakings	589,389	178,444
Amounts owed to related parties	421,554	-
Corporation tax	16,871	3,665
Other creditors	574,993	750,287
Accruals and deferred income	4,400	17,402
	<u>1,654,612</u>	<u>966,852</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

8. Deferred taxation

	2022 £
At beginning of year	(970)
Charged to profit or loss	-
Utilised in year	500
	<hr/>
At end of year	<u>(470)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Deferred tax	<u>(470)</u>	<u>(970)</u>

9. Pension commitments

The company operates a defined contribution 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 (2021: £1,355). No contributions 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.