

Company registration number 03472193 (England and Wales)

MSoft E-Solutions Limited

Unaudited financial statements

For the year ended 30 June 2023

MSoft E-Solutions Limited

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MSoft E-Solutions Limited

Balance sheet

As at 30 June 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		1,765,794		1,539,098
Tangible assets	4		179,343		155,955
Investments	5		26,570		26,570
			<u>1,971,707</u>		<u>1,721,623</u>
Current assets					
Stocks		90,577		90,577	
Debtors	8	361,097		390,179	
Cash at bank and in hand		1,650		1,807	
		<u>453,324</u>		<u>482,563</u>	
Creditors: amounts falling due within one year	9	(1,048,843)		(1,278,344)	
Net current liabilities			<u>(595,519)</u>		<u>(795,781)</u>
Total assets less current liabilities			1,376,188		925,842
Creditors: amounts falling due after more than one year	10		(860,719)		(370,709)
Provisions for liabilities			<u>(33,671)</u>		<u>(29,139)</u>
Net assets			<u>481,798</u>		<u>525,994</u>
Capital and reserves					
Called up share capital			139,617		139,617
Share premium account			31,777		31,777
Profit and loss reserves			310,404		354,600
Total equity			<u>481,798</u>		<u>525,994</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

MSoft E-Solutions Limited

Balance sheet (continued)

As at 30 June 2023

The financial statements were approved by the board of directors and authorised for issue on 15 March 2024 and are signed on its behalf by:

Mr M P McAlister
Director

Mr P G McAlister
Director

Company Registration No. 03472193

MSoft E-Solutions Limited

Notes to the financial statements

For the year ended 30 June 2023

1 Accounting policies

Company information

MSoft E-Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Gateway House, Old Hall Road, Bromborough, Wirral, Merseyside, England, CH62 3NX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

During the year, the company entered into a Company Voluntary Arrangement (CVA). Elements of the arrangement are contingent on the future profitability of the business and are currently held at their full amount. A failure to adhere to the terms of the CVA could potentially result in the whole of the original debts becoming due.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net invoiced sales of goods and services, excluding VAT, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

1.4 Intangible fixed assets - goodwill

Goodwill is being amortised evenly over its estimated useful life. In relation to business's acquired in 2005 and 2012 respectively, this is considered to be 10 years. In relation to a further acquisition in 2014 this is considered to be 5 years.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	10% on reducing balance
Other intangible assets	Straight line over 10/20 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% on reducing balance
Computer equipment	20% on reducing balance
Office equipment	20% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stock is valued at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. As all financial assets are classified within one year, they are not amortised but carried at face value.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are carried at face value.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and continue to be measured at face value.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.18 Government grants

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

3 Employees

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

	2023 Number	2022 Number
Total	9	10

4 Tangible fixed assets

	Plant and machinery etc	Office equipment	Total
	£	£	£
Cost			
At 1 July 2022	696,765	33,400	730,165
Additions	61,323	-	61,323
At 30 June 2023	758,088	33,400	791,488
Depreciation and impairment			
At 1 July 2022	545,249	28,961	574,210
Depreciation charged in the year	37,123	812	37,935
At 30 June 2023	582,372	29,773	612,145
Carrying amount			
At 30 June 2023	175,716	3,627	179,343
At 30 June 2022	151,516	4,439	155,955

5 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	26,570	26,570

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

6 Intangible fixed assets

	Goodwill	Other	Other intangible assets	Total
	£	£	£	£
Cost				
At 1 July 2022	345,181	2,223,795	21,976	2,590,952
Additions	-	390,397	-	390,397
At 30 June 2023	345,181	2,614,192	21,976	2,981,349
Amortisation and impairment				
At 1 July 2022	345,181	689,638	17,035	1,051,854
Amortisation charged for the year	-	162,802	899	163,701
At 30 June 2023	345,181	852,440	17,934	1,215,555
Carrying amount				
At 30 June 2023	-	1,761,752	4,042	1,765,794
At 30 June 2022	-	1,534,157	4,941	1,539,098

7 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Rescom Systems Limited	UK	Ordinary	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Rescom Systems Limited	2,545	909

Investments in subsidiaries are all stated at cost less impairments.

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

8 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	151,195	198,139
Amounts owed by group undertakings and undertakings in which the company has a participating interest	29,625	1,642
Other debtors	180,277	190,398
	<u>361,097</u>	<u>390,179</u>

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	-	192,745
Trade creditors	83,639	135,289
Amounts owed to group undertakings	-	23,349
Taxation and social security	77,035	177,845
Other creditors	888,169	749,116
	<u>1,048,843</u>	<u>1,278,344</u>

10 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	-	370,709
Other creditors	860,719	-
	<u>860,719</u>	<u>370,709</u>

The loans are secured by fixed and floating charges over the assets of the company. These have been incorporated into the CVA arrangement and are now shown in other creditors.

11 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2023	2022
	£	£
	<u>181,633</u>	<u>233,528</u>

MSoft E-Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 June 2023

12 Related party transactions

Locatemythings.com Limited

Controlled by close family members of the directors.

There is an amount due from the related party at the balance sheet date in the sum of £1,787 (2022: £1,642).

The amount is interest free and repayable on demand.

Rescom Limited

Subsidiary company.

There is an amount due from the related party at the balance sheet date in the sum of £27,838 (Owed to the related party in 2022: £23,349).

The amount is interest free and repayable on demand.

13 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Loan 2	-	5,862	21,843	(16,000)	11,705
Loan 1	-	19,697	24,586	(27,512)	16,771
		<u>25,559</u>	<u>46,429</u>	<u>(43,512)</u>	<u>28,476</u>

The maximum amount of the loans during the year was £16,771/£11,705 (2022: £30,251/£11,275).

The loans are repayable on demand.

