

Company Registration No. 03147957 (England and Wales)

MIDLANDS PROPERTY SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
PAGES FOR FILING WITH REGISTRAR

MIDLANDS PROPERTY SERVICES LIMITED

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MIDLANDS PROPERTY SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		2,662		-
Investment properties	4		11,470,000		9,117,857
Investments	5		409,135		409,135
			<u>11,881,797</u>		<u>9,526,992</u>
Current assets					
Debtors	8	707,939		1,635,488	
Investments	9	721,948		722,414	
Cash at bank and in hand		791,213		162,451	
		<u>2,221,100</u>		<u>2,520,353</u>	
Creditors: amounts falling due within one year	10	(609,118)		(981,373)	
Net current assets			<u>1,611,982</u>		<u>1,538,980</u>
Total assets less current liabilities			<u>13,493,779</u>		<u>11,065,972</u>
Creditors: amounts falling due after more than one year	11	(9,767,823)		(6,086,672)	
Net assets			<u><u>3,725,956</u></u>		<u><u>4,979,300</u></u>
Capital and reserves					
Called up share capital			2		2
Revaluation reserve		(455,836)		1,288,024	
Profit and loss reserves		4,181,790		3,691,274	
Total equity			<u><u>3,725,956</u></u>		<u><u>4,979,300</u></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 31 March 2020 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.

MIDLANDS PROPERTY SERVICES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£

The financial statements were approved by the board of directors and authorised for issue on 26 October 2020 and are signed on its behalf by:

Mrs A Mehta
Director

Mr D Mehta
Director

Company Registration No. 03147957

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Midlands Property Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 23 Belsize Road, Swiss Cottage, London, NW6 4RX.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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, fittings & equipment	15% reducing balance
Computer equipment	25% 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.

1.3 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.4 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.

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.6 Cash at bank and in hand

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.

1.7 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 and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 subsequently measured at amortised cost using the effective interest method.

1.8 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 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.

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies (Continued)

1.10 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

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

	2020 Number	2019 Number
Total	2	2

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2019	1,571
Additions	3,249
Impairment	(1,571)
At 31 March 2020	3,249
Depreciation and impairment	
At 1 April 2019	1,571
Depreciation charged in the year	587
Eliminated in respect of impairment	(1,571)
At 31 March 2020	587
Carrying amount	
At 31 March 2020	2,662
At 31 March 2019	-

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Investment property

	2020 £
Fair value	
At 1 April 2019	7,829,832
Additions	50,344
Transfers	4,045,660
Revaluations	(455,836)
	<u>11,470,000</u>
At 31 March 2020	<u>11,470,000</u>

Investment property with a carrying value of £11,925,836 (2019: £7,829,832) were revalued on 28th January 2020 by Messers Avison Young Grimly Limited of 65 Gresham Street, London EC2V 7VQ at the value of £11,470,000. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

5 Fixed asset investments

	2020 £	2019 £
Investments	409,135	409,135
	<u>409,135</u>	<u>409,135</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2019 & 31 March 2020	409,135
	<u>409,135</u>
Carrying amount	
At 31 March 2020	409,135
	<u>409,135</u>
At 31 March 2019	<u>409,135</u>

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Pagebarn Limited	UK	Ordinary	100.00	0

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

6 Subsidiaries (Continued)

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)
	£	£
Pagebarn Limited	3,273,748	(591)

7 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	721,948	722,414

8 Debtors

Amounts falling due within one year:	2020	2019
	£	£
Trade debtors	87,298	11,175
Amounts owed by group undertakings	-	759,861
Other debtors	620,641	864,452
	707,939	1,635,488

9 Current asset investments

	2020	2019
	£	£
Other investments	721,948	722,414

The above represents 60% interest in a jointly owned property 'Kidderminster'.

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	-	90,000
Trade creditors	38,982	91,875
Corporation tax	114,346	87,755
Other taxation and social security	10,350	12,126
Other creditors	445,440	699,617
	609,118	981,373

MIDLANDS PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Creditors: amounts falling due after more than one year	Notes	2020 £	2019 £
Bank loans and overdrafts		3,000,001	2,750,000
Other borrowings		6,767,822	3,336,672
		<u>9,767,823</u>	<u>6,086,672</u>

The company has given fixed charge over all of its freehold properties, and a mortgage debenture for securing all monies due or to become due from the company to National Westminster Bank Plc for the above bank loan.

The above Other Creditors include amount payable to the directors £573,704 (2019: £524,957).and amount due to the subsidiary company £3,275,681 (2019 - £759,861).

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	(3,000,001)	-
	<u></u>	<u></u>

12 Related party transactions

During the year, following were the related party transactions:

(i) The company owed Gillygrade Limited (company related through common directorship and shareholders) £2,918,437 (2019: £2,881,715) at the Balance sheet date and was posted under Other Creditors falling due for payment after more than one year. The interest is charged at the market rate.

(ii) At the Balance sheet date the company owed £3,275,680 (2019: was owed £759,861) by Pagebarn Limited, a wholly owned subsidiary.

13 Controlling party

The company is controlled by the directors' who beneficially own all of the issued share capital of the company.

