

Company Registration No. 01491356 (England and Wales)

MITCHELL CHARLESWORTH (SERVICES) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

PAGES FOR FILING WITH REGISTRAR

MITCHELL CHARLESWORTH (SERVICES) LIMITED

COMPANY INFORMATION

| | | |
|------------------|---------------|-----------------------------|
| Directors | T P Adcock | (Appointed 28 October 2020) |
| | A L Buckley | (Appointed 28 October 2020) |
| | R L Davies | |
| | P L Griffiths | |
| | R W Johnson | (Appointed 28 October 2020) |
| | A J Lavelle | |

| | |
|------------------|-------------|
| Secretary | A J Lavelle |
|------------------|-------------|

| | |
|-----------------------|----------|
| Company number | 01491356 |
|-----------------------|----------|

| | |
|--------------------------|---|
| Registered office | 5 Temple Square Temple Street Liverpool Merseyside L2 5RH |
|--------------------------|---|

| | |
|----------------|---|
| Auditor | Lewis Evans Partnership LLP The Oaks 3 Village Road West Kirby Wirral Merseyside CH48 3JN |
|----------------|---|

| | |
|----------------|--|
| Bankers | HSBC Bank plc 99-101 Lord Street Liverpool Merseyside L2 6PG |
| | Lloyds Bank plc 1st Floor 5 St Paul's Square Old Hall Street Liverpool Merseyside L3 9SJ |

MITCHELL CHARLESWORTH (SERVICES) LIMITED

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MITCHELL CHARLESWORTH (SERVICES) LIMITED

BALANCE SHEET

AS AT 30 APRIL 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|----------------|-----------------------|----------------|----------------------|
| Current assets | | | | | |
| Debtors | 3 | 790,464 | | 335,084 | |
| Cash at bank and in hand | | 128,537 | | 67,984 | |
| | | <u>919,001</u> | | <u>403,068</u> | |
| Creditors: amounts falling due within one year | 4 | (777,322) | | (379,171) | |
| Net assets | | | 141,679 | | 23,897 |
| | | | <u><u>141,679</u></u> | | <u><u>23,897</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 5 | | 2,200 | | 2,200 |
| Profit and loss reserves | | | 139,479 | | 21,697 |
| | | | <u>141,679</u> | | <u>23,897</u> |
| Total equity | | | <u><u>141,679</u></u> | | <u><u>23,897</u></u> |

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

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

The financial statements were approved by the board of directors and authorised for issue on 21 April 2021 and are signed on its behalf by:

P L Griffiths
Director

Company Registration No. 01491356

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

Company information

Mitchell Charlesworth (Services) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Temple Square, Temple Street, Liverpool, Merseyside, L2 5RH.

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.

Mitchell Charlesworth (Services) Limited is a wholly owned subsidiary of Mitchell Charlesworth LLP and the results of Mitchell Charlesworth (Services) Limited are included in the consolidated financial statements of Mitchell Charlesworth LLP which are available from 5 Temple Square, Temple Street, Liverpool, L2 5RH.

1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of Covid-19 as referred to in the directors' report, 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 the amount charged for staff services, office accommodation and other ancillary services excluding value added tax.

1.4 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.

1.5 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.

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of income and retained earnings, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of income and retained earnings, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in income and retained earnings.

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.

1.6 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.

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.7 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 statement of income and retained earnings 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 statement of income and retained earnings, 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.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.9 Retirement benefits

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

1 Accounting policies

(Continued)

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 149 (2019 - 148).

3 Debtors

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | 626,701 | 230,433 |
| Other debtors | 156,263 | 52,665 |
| | <u>782,964</u> | <u>283,098</u> |
| | 2020 | 2019 |
| Amounts falling due after more than one year: | £ | £ |
| Other debtors | 7,500 | 51,986 |
| | <u>790,464</u> | <u>335,084</u> |
| Total debtors | 790,464 | 335,084 |

4 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 56,752 | 2,486 |
| Corporation tax | 27,505 | 27,408 |
| Other taxation and social security | 610,813 | 242,421 |
| Other creditors | 17,773 | 19,161 |
| Accruals and deferred income | 64,479 | 87,695 |
| | <u>777,322</u> | <u>379,171</u> |
| | 777,322 | 379,171 |

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

5 Called up share capital

| | 2020 | 2019 |
|-------------------------------|--------------|--------------|
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 2,200 Ordinary of £1 each | 2,200 | 2,200 |
| | <u>2,200</u> | <u>2,200</u> |
| | <u>2,200</u> | <u>2,200</u> |

6 Audit report information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Simon Evans FCA.

The auditor was Lewis Evans Partnership LLP.

7 Operating lease commitments

Lessee

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

| 2020 | 2019 |
|----------------|----------------|
| £ | £ |
| 590,117 | 208,956 |
| <u>590,117</u> | <u>208,956</u> |

8 Events after the reporting date

On 7 September 2020 Mitchell Charlesworth (Services) Limited, a subsidiary of Mitchell Charlesworth LLP, entered in to a non-cancellable operating lease. The total commitment over the next five years is £250,794.

9 Related party transactions

Transactions with related parties

The company has taken advantage of the exemptions available whereby it has not disclosed transactions with the parent entity, Mitchell Charlesworth LLP.

MITCHELL CHARLESWORTH (SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2020

10 Control

The company is a wholly owned subsidiary of Mitchell Charlesworth LLP which is also considered to be the ultimate controlling party.

