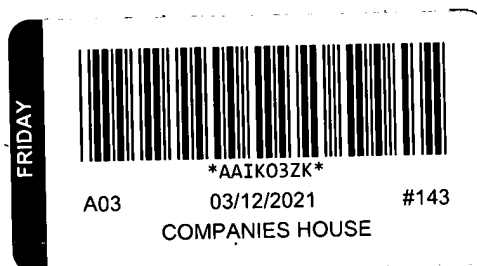


Company Registration No. 04292843 (England and Wales)

**MHC (SERVICES) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**



# MHC (SERVICES) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Damianou P Heagren
<b>Secretary</b>	S G Heiden
<b>Company number</b>	04292843
<b>Registered office</b>	5th Floor, Chelsea Football Club Stamford Bridge Fulham Road London SW6 1HS
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU
<b>Business address</b>	5th Floor, Chelsea Football Club Stamford Bridge Fulham Road London SW6 1HS

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# MHC (SERVICES) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present the strategic report for the year ended 31 December 2020.

#### **Fair review of the business**

##### *Profit and loss*

The profit for the year was £564,626 compared to a profit of £615,130 for the previous year. The year saw turnover decrease to £10,838,054 from £11,124,858, a decrease of £286,804.

Administrative expenses of £10,137,401 were £252,154 down on the previous year. This was mainly due to the decrease in travel expenses as a result of the restrictions in place during the year.

##### *Balance sheet*

Net assets remain at a satisfactory level in 2020 at £6,067,490 (2019: £5,502,864). Adequate cash reserves are held at £733,146; this represents a cash outflow of £701,164 since the prior period.

The working capital position of the company is constantly monitored to ensure funds are available to meet its liabilities.

#### **Principal risks and uncertainties**

The company monitors and reviews the rules and regulations in areas and industries that our key clients operate within and makes changes where appropriate. The majority of clients are overseas and to minimise currency exchange risk, the company issues invoices in the company's domestic currency.

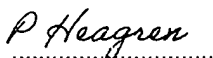
#### **Key performance indicators**

	<b>2020</b>	<b>2019</b>
Turnover (£'000)	10,838	11,125
Operating profit (£'000)	701	735
Operating profit margin (%)	6.5	6.6

#### **Going concern**

The financial statements have been prepared on the going concern basis as the company's parent company, Norma Investments Limited, has provided written confirmation of their willingness to provide continued financial support to the company for the foreseeable future, defined as at least 12 months from the date of signing the MHC (Services) Limited's financial statements for the year ended 31 December 2020. Norma Investments Limited has provided their most recent financial statements in order to substantiate their ability to support MHC (Services) Limited. The financial statements indicate that the parent has sufficient funding and resources available to it to enable MHC (Services) Limited to continue trading for at least 12 months from the date of signing these financial statements. On this basis and the support obtained, the directors consider it appropriate to prepare these financial statements on the going concern basis.

On behalf of the board



P Heagren  
Director

Date: 26th November 2021

# MHC (SERVICES) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Principal activities

The principal activity of the company continued to be that of management consultancy.

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid in the current or prior year. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Damianou  
E Tenenbaum  
P Heagren

(Resigned 5 April 2020)  
(Appointed 5 April 2020)

#### Auditor

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of discussions relating to financial and other risk management objectives and policies.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

*P Heagren*

.....  
P Heagren  
Director

Date: 26th November 2021 .....

# **MHC (SERVICES) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MHC (SERVICES) LIMITED**

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### **Opinion**

We have audited the financial statements of MHC (Services) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MHC (SERVICES) LIMITED (CONTINUED)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MHC (SERVICES) LIMITED (CONTINUED)

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax provision calculations and computations.

The audit engagement team identified the risk of management override of controls and expenses cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing a sample of expense transactions either side of the year end to ensure that they have been recorded in the appropriate accounting period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Mayulee Pinkerton CA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading  
Berkshire, RG1 3EU

1 December 2021



## MHC (SERVICES) LIMITED

### STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	10,838,054	11,124,858
Administrative expenses		(10,137,401)	(10,389,555)
<b>Operating profit</b>	6	700,653	735,303
Interest receivable and similar income	7	29,229	53,173
Interest payable and similar expenses	8	(298)	(1,240)
<b>Profit before taxation</b>		729,584	787,236
Tax on profit	9	(164,958)	(172,106)
<b>Profit for the financial year</b>		564,626	615,130
Retained earnings brought forward		5,402,864	4,787,734
Retained earnings carried forward		5,967,490	5,402,864

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income statement.

**MHC (SERVICES) LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		636,154		761,566
<b>Current assets</b>					
Debtors falling due after more than one year	11	912,817		992,834	
Debtors falling due within one year	11	6,350,075		5,076,923	
Cash at bank and in hand		733,146		1,434,310	
		<u>7,996,038</u>		<u>7,504,067</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,510,869)</u>		<u>(2,708,864)</u>	
<b>Net current assets</b>			<u>5,485,169</u>		<u>4,795,203</u>
<b>Total assets less current liabilities</b>			<u>6,121,323</u>		<u>5,556,769</u>
<b>Provisions for liabilities</b>	13		<u>(53,833)</u>		<u>(53,905)</u>
<b>Net assets</b>			<u><u>6,067,490</u></u>		<u><u>5,502,864</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		100,000		100,000
Profit and loss reserves	17		<u>5,967,490</u>		<u>5,402,864</u>
<b>Total equity</b>			<u><u>6,067,490</u></u>		<u><u>5,502,864</u></u>

The financial statements were approved by the board of directors and authorised for issue on .....26th November 2021  
and are signed on its behalf by:

*P Heagren*  
.....

P Heagren  
Director

# MHC (SERVICES) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	18		(532,428)		822,808
Interest paid			(298)		(1,240)
Income taxes paid			(156,502)		(192,105)
<b>Net cash (outflow)/inflow from operating activities</b>			(689,228)		629,463
<b>Investing activities</b>					
Purchase of tangible fixed assets		(41,165)		(68,886)	
Interest received		29,229		53,173	
<b>Net cash used in investing activities</b>			(11,936)		(15,713)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(701,164)		613,750
Cash and cash equivalents at beginning of year			1,434,310		820,560
<b>Cash and cash equivalents at end of year</b>			733,146		1,434,310

# MHC (SERVICES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Company information

MHC (Services) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 5th Floor, Chelsea Football Club, Stamford Bridge, Fulham Road, London, SW6 1HS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### 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, including the provisions of the Large and Medium-sized companies and groups (Accounts and Reports) Regulations 2008.

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 £1.

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

#### Going concern

The financial statements have been prepared on the going concern basis as the company's parent company, Norma Investments Limited, has provided written confirmation of their willingness to provide continued financial support to the company for the foreseeable future, defined as at least 12 months from the date of signing the MHC (Services) Limited's financial statements for the year ended 31 December 2020. Norma Investments Limited has provided their most recent financial statements in order to substantiate their ability to support MHC (Services) Limited. The financial statements indicate that the parent has sufficient funding and resources available to it to enable MHC (Services) Limited to continue trading for at least 12 months from the date of signing these financial statements. On this basis and the support obtained, the directors consider it appropriate to prepare these financial statements on the going concern basis.

#### Turnover

The turnover represents amounts receivable for services net of VAT.

Turnover in respect of services provided is calculated at an on-cost or cost plus mark-up basis.

#### Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

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

Leasehold property	10 years straight line
Fixtures, fittings and equipment	2 to 10 years straight line
Computer equipment	2 to 5 years straight line

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.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

# MHC (SERVICES) LIMITED

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

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### 1 Accounting policies (Continued)

#### **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 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 trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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 trade and other creditors, 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.

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# **MHC (SERVICES) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies (Continued)**

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **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.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

# MHC (SERVICES) LIMITED

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

### 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.

The directors have considered whether any critical estimates or judgements have been made in the preparation of these financial statements and they believe there are none to note.

#### Debtors recoverability

Management regularly review the balance of other receivables, representing staff and other loans, to assess whether any provision is required for any unrecoverable amounts. The directors have assessed that no provision should be held against other debtor balances outstanding at the reporting date.

### 3 Turnover

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Consultancy services	10,838,054	11,124,858
	<u>10,838,054</u>	<u>11,124,858</u>
	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
British Virgin Islands	559,000	650,000
Russia	1,541,425	1,903,788
United Kingdom	207,000	300,000
Jersey	8,530,629	8,271,070
	<u>10,838,054</u>	<u>11,124,858</u>

# MHC (SERVICES) LIMITED

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

### 4 Employees

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

	2020 Number	2019 Number
Consultants	14	14
Administrators	22	20
Total	36	34

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	7,405,898	7,365,225
Social security costs	1,398,406	1,194,026
Pension costs	32,574	24,879
	8,836,878	8,584,130

### 5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	831,340	1,459,678
Company pension contributions to defined contribution schemes	1,641	-
	832,981	1,459,678

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	452,109	1,459,678
Company pension contributions to defined contribution schemes	1,641	-



# MHC (SERVICES) LIMITED

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

### 6 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	4,835	806
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	11,950
Depreciation of owned tangible fixed assets	166,577	153,557
Operating lease charges	314,715	299,056

### 7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	29,229	53,173

### 8 Interest payable and similar expenses

	2020	2019
	£	£
Other finance costs:		
Other interest	298	1,240

### 9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	164,901	169,758
Adjustments in respect of prior periods	129	-
Total current tax	165,030	169,758
Deferred tax		
Origination and reversal of timing differences	(6,414)	2,348
Changes in tax rates	6,342	-
Total deferred tax	(72)	2,348
Total tax charge	164,958	172,106

# MHC (SERVICES) LIMITED

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

### 9 Taxation (Continued)

The charge for the year can be reconciled to the profit per the statement of income as follows:

	2020 £	2019 £
Profit before taxation	729,584	787,236
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	138,621	149,575
Tax effect of expenses that are not deductible in determining taxable profit	3,286	5,143
Adjustments in respect of prior years	129	-
Effect of change in corporation tax rate	(76)	(277)
Fixed assets difference	16,655	17,665
Remeasurement of deferred tax for changes in tax rates	6,343	-
Taxation charge for the year	164,958	172,106

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. These rates have been used to measure deferred tax assets and liabilities where applicable. In March 2020 the Chancellor announced that tax rate would remain at 19%, however, this rate had not been substantively enacted at the reporting date and it has not been used in the measurement of deferred tax.

### 10 Tangible fixed assets

	Leasehold property £	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2020	1,227,199	180,576	250,425	1,658,200
Additions	-	-	41,165	41,165
At 31 December 2020	1,227,199	180,576	291,590	1,699,365
<b>Depreciation and impairment</b>				
At 1 January 2020	606,300	180,576	109,758	896,634
Depreciation charged in the year	122,720	-	43,857	166,577
At 31 December 2020	729,020	180,576	153,615	1,063,211
<b>Carrying amount</b>				
At 31 December 2020	498,179	-	137,975	636,154
At 31 December 2019	620,899	-	140,667	761,566

# MHC (SERVICES) LIMITED

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

### 11 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	275,921	345,182
Amounts owed by group undertakings	5,079,483	3,967,443
Other debtors	993,990	676,023
Prepayments and accrued income	681	88,275
	<u>6,350,075</u>	<u>5,076,923</u>

	2020	2019
	£	£
<b>Amounts falling due after more than one year:</b>		
Other debtors	<u>912,817</u>	<u>992,834</u>
<b>Total debtors</b>	<u>7,262,892</u>	<u>6,069,757</u>

### 12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	31,769	255,775
Corporation tax	107,324	98,796
Other taxation and social security	670,893	579,002
Other creditors	368,903	786,211
Accruals and deferred income	1,331,980	989,080
	<u>2,510,869</u>	<u>2,708,864</u>

### 13 Provisions for liabilities

	Notes	2020	2019
		£	£
Deferred tax liabilities	14	<u>53,833</u>	<u>53,905</u>

# MHC (SERVICES) LIMITED

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

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	53,833	53,905
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		2020 £
Liability at 1 January 2020		53,905
Credit to profit or loss		(72)
		<u>          </u>
Liability at 31 December 2020		53,833
		<u>          </u>

The deferred tax liability set out above is expected to reverse within the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

### 15 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	32,574	24,879
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 16 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company's Ordinary shares which carry no fixed right to income, each carry the right to one vote at general meetings of the company.

### 17 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

# MHC (SERVICES) LIMITED

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

### 18 Cash (absorbed by)/generated from operations

	2020 £	2019 £
Profit for the year after tax	564,626	615,130
<b>Adjustments for:</b>		
Taxation charged	164,958	172,106
Finance costs	298	1,240
Investment income	(29,229)	(53,173)
Depreciation and impairment of tangible fixed assets	166,577	153,557
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(1,193,135)	279,123
Decrease in creditors	(206,523)	(345,175)
<b>Cash (absorbed by)/generated from operations</b>	<b>(532,428)</b>	<b>822,808</b>

### 19 Analysis of changes in net funds

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	1,434,310	(701,164)	733,146

### 20 Operating lease commitments

#### Lessee

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

	2020 £	2019 £
Within one year	320,833	317,629
Between one and five years	323,851	9,534
	<b>644,684</b>	<b>327,163</b>

# **MHC (SERVICES) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **21 Related party transactions**

During the year the company rented premises at a cost of £247,781 (2019: £495,558) from Chelsea FC Plc, a company in which E Tenenbaum is also a director. In addition, during the year the company has purchased other goods and services totaling £24,566 (2019: £53,189) from Chelsea FC Plc and recharged costs of £7,789 (2019: £4,683). At the year end, the company owed Chelsea FC Plc £66 (2019: £191,946).

During the year the company billed costs of £207,000 (2019: £288,000) to Fordstam Ltd, a company in which E Tenenbaum is also a director. At the year end Fordstam Ltd owed the company £36,000 (2019: £57,600).

During the year expenses have been incurred and reimbursed to E Tenenbaum of £3,180 (2019: £6,176).

During the year expenses have been incurred and reimbursed to P Heagren, a director of the company, of £1,585 (2019: £nil).

### **22 Ultimate controlling party**

The immediate and ultimate parent company is Norma Investments Limited, registered office: Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands.

The directors consider there to be no individual ultimate controlling party.