

Company Registration No. 05741374 (England and Wales)

**MBC SOLICITORS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

# **MBC SOLICITORS LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 7

---

# MBC SOLICITORS LIMITED

## BALANCE SHEET

AS AT 30 NOVEMBER 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3	148,000		160,000	
Tangible assets	4	457,156		18,278	
		605,156		178,278	
<b>Current assets</b>					
Work in progress		161,712		187,796	
Debtors	5	182,016		207,849	
Cash at bank and in hand		170,275		71,060	
		514,003		466,705	
<b>Creditors: amounts falling due within one year</b>	6	(247,757)		(115,535)	
<b>Net current assets</b>		266,246		351,170	
<b>Total assets less current liabilities</b>		871,402		529,448	
<b>Creditors: amounts falling due after more than one year</b>	7	(312,500)		-	
<b>Provisions for liabilities</b>		(3,378)		(3,472)	
<b>Net assets</b>		555,524		525,976	
<b>Capital and reserves</b>					
Called up share capital	8	3		3	
Profit and loss reserves		555,521		525,973	
<b>Total equity</b>		555,524		525,976	

## **MBC SOLICITORS LIMITED**

### **BALANCE SHEET (CONTINUED)**

**AS AT 30 NOVEMBER 2020**

---

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 November 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.

The financial statements were approved by the board of directors and authorised for issue on 12 April 2021 and are signed on its behalf by:

K Morgan  
**Director**

L Brown  
**Director**

**Company Registration No. 05741374**

# **MBC SOLICITORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

---

### **1 Accounting policies**

#### **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.

#### **1.2 Going concern**

On 11 March 2020, Covid-19 was designated a pandemic by the World Health Organisation (WHO). The directors continue to review the impact on the business, ensuring provisions are put in place to mitigate any risk to the company's ability to trade as a going concern. At the date of signing the financial statements, in the opinion of the directors, Covid-19 will not impact on the company's ability to trade as a going concern. Consequently, the company continues to adopt the going concern basis in preparing the financial statements.

#### **1.3 Turnover**

Fee income represents revenue earned under a wide variety of contracts to provide professional services.

#### **1.4 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

#### **1.5 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:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	20% 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.

#### **1.6 Stocks**

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

#### **1.7 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.

# **MBC SOLICITORS LIMITED**

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

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

---

### **1 Accounting policies**

**(Continued)**

#### **1.8 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.

#### **1.9 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.

#### **1.10 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.

#### **1.11 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.

# **MBC SOLICITORS LIMITED**

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

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

### **1 Accounting policies**

**(Continued)**

#### **1.12 Retirement benefits**

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

#### **1.13 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.

#### **1.14 Company information**

MBC Solicitors Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Bexley Square, Salford, Manchester, M3 6BZ.

### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 16 (2019 - 16).

### **3 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 December 2019 and 30 November 2020	240,000
<b>Amortisation and impairment</b>	
At 1 December 2019	80,000
Amortisation charged for the year	12,000
At 30 November 2020	92,000
<b>Carrying amount</b>	
At 30 November 2020	148,000
At 30 November 2019	160,000

# MBC SOLICITORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2020

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 December 2019	-	66,869	66,869
Additions	439,642	3,914	443,556
At 30 November 2020	439,642	70,783	510,425
<b>Depreciation and impairment</b>			
At 1 December 2019	-	48,591	48,591
Depreciation charged in the year	-	4,678	4,678
At 30 November 2020	-	53,269	53,269
<b>Carrying amount</b>			
At 30 November 2020	439,642	17,514	457,156
At 30 November 2019	-	18,278	18,278

### 5 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	96,272	111,052
Other debtors	85,744	96,797
	182,016	207,849

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

	2020 £	2019 £
Bank loans and overdrafts	52,500	3,727
Trade creditors	26,148	6,276
Taxation and social security	156,330	99,108
Other creditors	12,779	6,424
	247,757	115,535



## **MBG SOLICITORS LIMITED**

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

**FOR THE YEAR ENDED 30 NOVEMBER 2020**

---

**7 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
<b>Notes</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	312,500	-
	<u>          </u>	<u>          </u>

A 6 year repayment loan was taken out with The Royal Bank of Scotland plc during November 2020 for the sum of £315,000. Interest will be charged at 4.61% above Base Rate. This loan is secured against the two properties owned by the company; 10 Bexley Square, Salford and 12 Victoria Avenue, Blackley.

**8 Called up share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3 Ordinary shares of £1 each	3	3
	<u>          </u>	<u>          </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.