

COMPANY REGISTRATION NUMBER: 08971934

The Magnificent Agency Limited
Filleted Unaudited Financial Statements
31 October 2022

The Magnificent Agency Limited

Statement of Financial Position

31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	1,107	1,032
Current assets			
Debtors	7	348	4,985
Cash at bank and in hand		1,103	25,081
		<u>1,451</u>	<u>30,066</u>
Creditors: amounts falling due within one year	8	92,932	174,940
		<u>91,481</u>	<u>144,874</u>
Net current liabilities		(90,374)	(143,842)
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	9	120,809	52,978
Provisions			
Taxation including deferred tax		210	196
		<u>(211,393)</u>	<u>(197,016)</u>
Net liabilities			
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account		(211,394)	(197,017)
Shareholder deficit		(211,393)	(197,016)

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the financial year ended 31 October 2022, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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

The Magnificent Agency Limited
Statement of Financial Position *(continued)*

31 October 2022

These financial statements were approved by the board of directors and authorised for issue on 28 July 2023 , and are signed on behalf of the board by:

Mr J O J Kelly

Director

Company registration number: 08971934

The Magnificent Agency Limited

Notes to the Financial Statements

Year ended 31 October 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 6 The Linen Yard, South Street, Crewkerne, Somerset, TA18 8AB.

2. Statement of compliance

These financial statements have been prepared in accordance with FRS 102 taking advantage of the disclosure exemptions of FRS 102 'The financial reporting Standard applicable in the UK and Republic of Ireland.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

At 31 October 2022 the company had net current liabilities of £91,481 (2021 £144,874) and net liabilities of £211,393 (2021:£197,016) and is therefore dependent on the support of its director and creditors to continue trading. The director has indicated that continued support will be forthcoming in the foreseeable future and the company is currently meeting its day to day liabilities as they fall due. Having considered the company's current trading position, the continued financial support offered and the effect of Covid-19, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the accounts.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered. When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% reducing balance
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants received relate to COVID-19 government assistance and are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 1 (2021: 1).

5. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022	2021
	£	£
Equity dividends on ordinary shares	60,000	22,000

The above dividends have been paid in contravention of section 830 (1) of the Companies Act 2006, which prohibits the payments of dividends other than by way of distribution out of available profits. Accordingly the shareholder may be liable to repay to the company £211,393 of dividends drawn.

6. Tangible assets

	Equipment £	Total £
Cost		
At 1 November 2021	3,763	3,763
Additions	445	445
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At 31 October 2022	4,208	4,208
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Depreciation		
At 1 November 2021	2,731	2,731
Charge for the year	370	370
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At 31 October 2022	3,101	3,101
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Carrying amount		
At 31 October 2022	1,107	1,107
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At 31 October 2021	1,032	1,032
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7. Debtors

	2022 £	2021 £
Trade debtors	348	4,985
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8. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	13,062	11,887
Corporation tax	11,101	305
Social security and other taxes	7,837	7,429
Other creditors	60,932	155,319
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	92,932	174,940
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9. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	40,809	52,978
Other creditors	80,000	—
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	120,809	52,978
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A bank loan, balance totalling £36,853, is secured by the Director.

Included within bank loans and overdrafts is £17,018 (2021: £18,500) relating to a Coronavirus bounce back loan. This loan is secured by the UK Government.

Included within the above balance is an amount of £80,000 which was received as a cash injection into the company. At present, this investment has no interest or repayment terms, but is due to be reviewed a year from receipt to determine what is viable.

Included in the balance of creditors due after more than one year is a balance of £6,993 which is due after more than 5 years from the balance sheet date and is repayable in installments.

10. Called up share capital
Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £ 1 each	1	1	1	1
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