

Company Registration No. 00864717 (England and Wales)

THE MUSIC EXCHANGE (MANCHESTER) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE MUSIC EXCHANGE (MANCHESTER) LIMITED

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THE MUSIC EXCHANGE (MANCHESTER) LIMITED**BALANCE SHEET****AS AT 31 MARCH 2022**

| | | 2022 | | 2021 | |
|-------------------------------------------------------|-------|------------------|-------------------------|------------------|-------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 3 | | 31,830 | | 45,009 |
| Current assets | | | | | |
| Stocks | | 886,791 | | 760,642 | |
| Debtors | 4 | 281,471 | | 176,718 | |
| Cash at bank and in hand | | 579,772 | | 734,704 | |
| | | <u>1,748,034</u> | | <u>1,672,064</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(454,715)</u> | | <u>(485,975)</u> | |
| Net current assets | | | <u>1,293,319</u> | | <u>1,186,089</u> |
| Total assets less current liabilities | | | <u><u>1,325,149</u></u> | | <u><u>1,231,098</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 10,000 | | 10,000 |
| Profit and loss reserves | | | 1,315,149 | | 1,221,098 |
| Total equity | | | <u><u>1,325,149</u></u> | | <u><u>1,231,098</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 2022 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 8 June 2022 and are signed on its behalf by:

S Taylor
Director

Company Registration No. 00864717

THE MUSIC EXCHANGE (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 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:

| | |
|---------------------|-----------------------------|
| Equipment | 20% on cost and 10% on cost |
| Fixtures & fittings | 10% on cost |
| Motor vehicles | 25% on 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.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.5 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.

THE MUSIC EXCHANGE (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies **(Continued)**

1.6 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.

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.

1.7 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.

1.8 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.

THE MUSIC EXCHANGE (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS 19 Deferred tax. The deferred tax balance has not been discounted and amounts to £Nil after accounting for losses incurred.

1.9 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.

1.10 Retirement benefits

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

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.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.13 Company information

The Music Exchange (Manchester) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Claverton Road, Wythenshawe, Manchester, M23 9ZA.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 32.

| | 2022 | 2021 |
|-------------------------------------|---------------|---------------|
| | Number | Number |
| Administration and management staff | 32 | 35 |
| | == | == |

THE MUSIC EXCHANGE (MANCHESTER) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2022****3 Tangible fixed assets**

| | Equipment | Fixtures & fittings | Motor vehicles | Total |
|------------------------------------|-----------|---------------------|----------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 April 2021 and 31 March 2022 | 347,919 | 38,549 | 104,700 | 491,168 |
| Depreciation and impairment | | | | |
| At 1 April 2021 | 341,662 | 38,549 | 65,948 | 446,159 |
| Depreciation charged in the year | 3,491 | - | 9,688 | 13,179 |
| At 31 March 2022 | 345,153 | 38,549 | 75,636 | 459,338 |
| Carrying amount | | | | |
| At 31 March 2022 | 2,766 | - | 29,064 | 31,830 |
| At 31 March 2021 | 6,257 | - | 38,752 | 45,009 |

4 Debtors

| | 2022 | 2021 |
|---------------------------------------------|---------|---------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 270,379 | 161,083 |
| Other debtors | 11,092 | 15,635 |
| | 281,471 | 176,718 |

5 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|---------|---------|
| | £ | £ |
| Bank loans and overdrafts | 54,582 | - |
| Trade creditors | 187,295 | 276,633 |
| Other taxation and social security | 45,251 | 50,649 |
| Other creditors | 167,587 | 158,693 |
| | 454,715 | 485,975 |

6 Parent company

The company is a wholly owned subsidiary of Music Exchange (Holdings) Limited, a company incorporated in England and Wales. S W Taylor owns the majority of the issued ordinary share capital of the parent company.

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