

# Phase 1 MCS Limited

Annual Report and Financial Statements  
for the Year Ended 31 March 2022

# Phase 1 MCS Limited

## Contents

Company Information	<u>1</u>
Director's Report	<u>2</u>
Statement of Director's Responsibilities	<u>3</u>
Independent Auditor's Report	<u>4</u> to <u>7</u>
Balance Sheet	<u>8</u>
Notes to the Financial Statements	<u>9</u> to <u>13</u>

## **Phase 1 MCS Limited**

### **Company Information**

<b>Director</b>	Mr Neil Foster
<b>Registered office</b>	Unit 1 9A Farnham Trading Estate Farnham Surrey GU9 9NN
<b>Auditors</b>	MG Audit Services Limited 166 College Road Harrow Middlesex HA1 1BH

## **Phase 1 MCS Limited**

### **Director's Report for the Year Ended 31 March 2022**

The director presents his report and the financial statements for the year ended 31 March 2022.

#### **Director of the company**

The director who held office during the year was as follows:

Mr Neil Foster

#### **Principal activity**

The principal activity of the company in the year under review was that of an online retailer of motorcycle clothing and accessories.

#### **Disclosure of information to the auditors**

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

#### **Reappointment of auditors**

The auditors MG Audit Services Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the director on 30 December 2022

.....

Mr Neil Foster

Director

## **Phase 1 MCS Limited**

### **Statement of Director's Responsibilities**

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## **Phase 1 MCS Limited**

### **Independent Auditor's Report to the Members of Phase 1 MCS Limited**

#### **Opinion**

We have audited the financial statements of Phase 1 MCS Limited (the 'company') for the year ended 31 March 2022, which comprise the Balance Sheet, and Notes to the Financial Statements, including a summary of 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 Section 1A '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 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for 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 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 director's 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 original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the director 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Phase 1 MCS Limited**

### **Independent Auditor's Report to the Members of Phase 1 MCS Limited**

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

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of the director**

As explained more fully in the Statement of Director's Responsibilities [set out on page 3], the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Phase 1 MCS Limited**

### **Independent Auditor's Report to the Members of Phase 1 MCS Limited**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

(1) Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to: - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and

(2) Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override. Our procedures to respond to risks identified included the following:

- (1). Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- (2). Enquiring of management concerning actual and potential litigation and claims;
- (3). Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- (4). In addressing the risk of fraud through management override of controls, testing the appropriateness of any journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



## **Phase 1 MCS Limited**

### **Independent Auditor's Report to the Members of Phase 1 MCS Limited**

.....

Gavin Fernandes FCA (Senior Statutory Auditor)  
For and on behalf of MG Audit Services Limited, Statutory Auditor  
166 College Road  
Harrow  
Middlesex  
HA1 1BH

30 December 2022

**Phase 1 MCS Limited**  
**(Registration number: 07123791)**  
**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	1,290	1,923
Tangible assets	<u>5</u>	176	352
		<u>1,466</u>	<u>2,275</u>
<b>Current assets</b>			
Debtors	<u>6</u>	-	1,251
Cash at bank and in hand		10,026	5,331
		10,026	6,582
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(53,216)	(7,349)
<b>Net current liabilities</b>		(43,190)	(767)
<b>Total assets less current liabilities</b>		(41,724)	1,508
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(623,476)	(581,312)
<b>Net liabilities</b>		(665,200)	(579,804)
<b>Capital and reserves</b>			
Called up share capital		100	100
Retained earnings		(665,300)	(579,904)
Shareholders' deficit		(665,200)	(579,804)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the director has not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the director on 30 December 2022

.....

Mr Neil Foster  
Director

## **Phase 1 MCS Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit 1  
9A Farnham Trading Estate  
Farnham  
Surrey  
GU9 9NN

These financial statements were authorised for issue by the director on 30 December 2022.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

## Phase 1 MCS Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and Fittings	20%
Computer equipment	At variable rate on reducing balance

#### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Patents and licences are being amortised evenly over their useful life of nil years.

Asset class	Amortisation method and rate
Patents and Licenses	10%

## **Phase 1 MCS Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2022**

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 4 (2021 - 4).

## Phase 1 MCS Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 4 Intangible assets

	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>		
At 1 April 2021	6,357	6,357
At 31 March 2022	6,357	6,357
<b>Amortisation</b>		
At 1 April 2021	4,434	4,434
Amortisation charge	633	633
At 31 March 2022	5,067	5,067
<b>Carrying amount</b>		
At 31 March 2022	1,290	1,290
At 31 March 2021	1,923	1,923

#### 5 Tangible assets

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	2,389	20,060	22,449
At 31 March 2022	2,389	20,060	22,449
<b>Depreciation</b>			
At 1 April 2021	2,037	20,060	22,097
Charge for the year	176	-	176
At 31 March 2022	2,213	20,060	22,273
<b>Carrying amount</b>			
At 31 March 2022	176	-	176
At 31 March 2021	352	-	352

## Phase 1 MCS Limited

### Notes to the Financial Statements for the Year Ended 31 March 2022

#### 6 Debtors

	2022	2021
	£	£
<b>Current</b>		
Prepayments	-	56
VAT	-	1,195
	<u>-</u>	<u>1,251</u>

#### 7 Creditors

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

	2022	2021
	£	£
<b>Due within one year</b>		
Trade creditors	3,842	4,149
VAT	46,174	-
Accrued expenses	3,200	3,200
	<u>53,216</u>	<u>7,349</u>

##### Creditors: amounts falling due after more than one year

	2022	2021
	£	£
<b>Due after one year</b>		
Amount owed to group undertakings	<u>623,476</u>	<u>581,312</u>

#### 8 Related party transactions

##### Summary of transactions with entities with joint control or significant interest

The company is a wholly owned subsidiary of 4th Dimensions Innovation Limited ,Unit5, Alpha Way,Thorpe Industrial Estate ,Egham , TW20 8RZ..

The company has taken advantage of the exemption available whereby it has not disclosed transactions with the parent company or any wholly owned subsidiary undertaking of the group.

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.