

MIDLAND MATERIALS HANDLING CO. LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2017

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BALANCE SHEET
AS AT 31 MAY 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	385,504	356,939
Current assets			
Stocks		11,590	16,557
Debtors: amounts falling due after more than one year	5	82,645	-
Debtors: amounts falling due within one year	5	270,808	133,942
Cash at bank and in hand		587,357	520,302
		<u>952,400</u>	<u>670,801</u>
Creditors: amounts falling due within one year	6	(307,097)	(176,230)
Net current assets		<u>645,303</u>	<u>494,571</u>
Total assets less current liabilities		<u>1,030,807</u>	<u>851,510</u>
Creditors: amounts falling due after more than one year	7	(102,305)	-
Provisions for liabilities			
Deferred tax		(65,536)	(71,388)
		<u>(65,536)</u>	<u>(71,388)</u>
Net assets		<u><u>862,966</u></u>	<u><u>780,122</u></u>
Capital and reserves			
Called up share capital		232	232
Capital redemption reserve		168	168
Profit and loss account		862,566	779,722
		<u><u>862,966</u></u>	<u><u>780,122</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of 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 financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 September 2017.

R.L.Hinton
Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

1. General information

Midland Materials Handling Co. Limited (the Company) is a private company limited by shares incorporated and domiciled in the United Kingdom. The address of the registered office and principal place of business is Units 17 & 18 Maple Leaf Industrial Estate, Walsall, West Midlands, England. WS2 8TF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Plant and machinery	-	20%	reducing balance and 10% straight line.
Motor vehicles	-	20%	reducing balance.
Fixtures and fittings	-	25%	reducing balance.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account..

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the profit and loss account on a straight line basis over the term of the relevant lease.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017**

2. Accounting policies (continued)

2.14 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2016 - 11).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 June 2016	568,470	84,616	16,249	669,335
Additions	91,435	37,250	1,485	130,170
Disposals	(63,158)	-	-	(63,158)
At 31 May 2017	596,747	121,866	17,734	736,347
Depreciation				
At 1 June 2016	259,375	40,455	12,565	312,395
Charge for the year on owned assets	45,651	8,069	855	54,575
Charge for the year on financed assets	-	2,982	-	2,982
Disposals	(19,109)	-	-	(19,109)
At 31 May 2017	285,917	51,506	13,420	350,843
Net book value				
At 31 May 2017	310,830	70,360	4,314	385,504
At 31 May 2016	309,095	44,161	3,683	356,939

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Motor vehicles	34,268	-

5. Debtors

	2017 £	2016 £
Due after more than one year		
Residual value in assets transferred for part of their life	82,645	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

5. Debtors (continued)

	2017 £	2016 £
Due within one year		
Trade debtors	88,885	123,551
Amounts owed by group undertakings	160,000	-
Prepayments and accrued income	5,504	10,391
Residual value in assets transferred for part of their life	16,419	-
	<u>270,808</u>	<u>133,942</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	204,418	97,036
Corporation tax	28,940	46,923
Other taxation and social security	42,405	28,309
Obligations under hire purchase contracts (secured on related assets)	12,416	-
Other creditors	-	2,995
Accruals and deferred income	2,499	967
Obligations under repurchase agreements	16,419	-
	<u>307,097</u>	<u>176,230</u>

7. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Net obligations under hire purchase contracts (secured on related assets)	19,660	-
Obligations under repurchase agreements	82,645	-
	<u>102,305</u>	<u>-</u>

8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,513 (2016: £2,985). Contributions totalling £Nil (2016: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2017

9. Commitments under operating leases

At 31 May 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	4,864	15,764
Later than 1 year and not later than 5 years	5,144	10,008
	<u>10,008</u>	<u>25,772</u>

10. Ultimate parent undertaking

The ultimate parent undertaking is MMH Holdings Limited a company registered in England.