

**MIDLAND MATERIALS HANDLING CO. LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2019**

CONTENTS

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	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 10

**BALANCE SHEET**  
**AS AT 31 MAY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	4	-	10,000
Tangible assets	5	344,616	398,444
		<u>344,616</u>	<u>408,444</u>
<b>Current assets</b>			
Stocks		75,372	17,518
Debtors: amounts falling due after more than one year	6	197,407	160,809
Debtors: amounts falling due within one year	6	239,862	278,337
Cash at bank and in hand		563,352	531,442
		<u>1,075,993</u>	<u>988,106</u>
Creditors: amounts falling due within one year	7	(179,606)	(223,259)
		<u>896,387</u>	<u>764,847</u>
<b>Net current assets</b>			
		<u>1,241,003</u>	<u>1,173,291</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	8	(204,330)	(178,589)
<b>Provisions for liabilities</b>			
Deferred tax		(58,585)	(67,736)
		<u>(58,585)</u>	<u>(67,736)</u>
<b>Net assets</b>			
		<u>978,088</u>	<u>926,966</u>
<b>Capital and reserves</b>			
Called up share capital		232	232
Capital redemption reserve		168	168
Profit and loss account		977,688	926,566
		<u>978,088</u>	<u>926,966</u>

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MAY 2019**

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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 19 September 2019.

**R.L.Hinton**  
**Director**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**1. General information**

Midland Materials Handling Co. Limited (the Company) is a private company limited by shares incorporated and domiciled in England. 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 Turnover**

Turnover is stated net of VAT and trade discounts.

Turnover on sale of goods is recognised when the rights and obligations associated with the goods have been transferred to the customer.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. For fixed term service contracts turnover is recognised on a straight-line basis over the term of the contract. Turnover on short-term services rendered is recognised upon job completion.

Rental income received under operating leases is recognised as described in the company's accounting policy for leased assets below.

**2.3 Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life of two years.

**2.4 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (continued)**

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..

**2.5 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.

**2.6 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.

**2.7 Financial instruments**

The Company only enters into basic financial instrument 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 and loans to related parties.

**2.8 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2. Accounting policies (continued)**

**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 Residual interests on leased trucks**

A portion of the company's UK sales are through leasing companies whereby the company sells equipment to the leasing company which in turn enters into a lease agreement with the customer. Some leases contain a commitment from the company to repurchase the equipment from the customer at the end of the lease at a price specified in the lease agreement.

Consequently, the company has a liability to repurchase equipment at the end of the lease term which is matched by an equivalent asset, being the repurchased equipment, subject to the extent that the agreed repurchase price of the equipment does not exceed its realisable value at the time of repurchase.

Accordingly, the equipment to be repurchased is recorded as a debtor on the balance sheet at the lower of cost and net realisable value and the corresponding liability is recorded within creditors payable either within or after one year, according to the timing of the commitments.

The assets are not depreciated until repurchase.

**2.12 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.

**2.13 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 2019**

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**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 11 (2018 - 11).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

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4. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 June 2018	20,000
At 31 May 2019	<u>20,000</u>
<b>Amortisation</b>	
At 1 June 2018	10,000
Charge for the year	10,000
At 31 May 2019	<u>20,000</u>
<b>Net book value</b>	
At 31 May 2019	<u>-</u>
<b>At 31 May 2018</b>	<u>10,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 June 2018	610,816	136,450	13,330	760,596
Additions	50,900	-	1,648	52,548
Disposals	(92,882)	(10,208)	-	(103,090)
At 31 May 2019	568,834	126,242	14,978	710,054
<b>Depreciation</b>				
At 1 June 2018	290,875	64,508	6,769	362,152
Charge for the year on owned assets	48,575	5,520	1,534	55,629
Charge for the year on financed assets	-	8,128	-	8,128
Disposals	(51,236)	(9,235)	-	(60,471)
At 31 May 2019	288,214	68,921	8,303	365,438
<b>Net book value</b>				
At 31 May 2019	280,620	57,321	6,675	344,616
At 31 May 2018	319,941	71,942	6,561	398,444

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019

6. Debtors

	2019 £	2018 £
<b>Due after more than one year</b>		
Residual value in assets transferred for part of their life	<u>197,407</u>	<u>160,809</u>
	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	80,502	106,646
Amounts owed by group undertakings	159,088	159,088
Prepayments and accrued income	-	912
Residual value in assets transferred for part of their life	<u>272</u>	<u>11,691</u>
	<u>239,862</u>	<u>278,337</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	113,565	109,004
Corporation tax	21,206	16,112
Other taxation and social security	22,422	24,572
Obligations under hire purchase contracts (secured on related assets)	10,856	16,030
Accruals and deferred income	11,285	45,850
Obligations under repurchase agreements	<u>272</u>	<u>11,691</u>
	<u>179,606</u>	<u>223,259</u>

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

	2019 £	2018 £
Obligations under and hire purchase contracts (secured on related assets)	6,923	17,780
Obligations under repurchase agreements	<u>197,407</u>	<u>160,809</u>
	<u>204,330</u>	<u>178,589</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**9. 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 £5,948 (2018: £4,358). Contributions totalling £Nil (2018: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**10. Commitments under operating leases**

At 31 May 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	49,237	43,967
Later than 1 year and not later than 5 years	98,851	141,340
	<u>148,088</u>	<u>185,307</u>

**11. Ultimate parent undertaking**

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

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.