

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020
FOR
MIDTHERM ENGINEERING LIMITED

French Ludlam & Co Limited
Mountfield House
661 High Street
Kingswinford
West Midlands
DY6 8AL

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	4
Chartered Certified Accountants' Report	9

MIDTHERM ENGINEERING LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2020

DIRECTORS: J Walsh
D Walker

SECRETARY: Mrs S Poultney

REGISTERED OFFICE: Staffordshire House
28 New Road
Netherton
Dudley
West Midlands
DY2 8TA

REGISTERED NUMBER: 01690818 (England and Wales)

ACCOUNTANTS: French Ludlam & Co Limited
Mountfield House
661 High Street
Kingswinford
West Midlands
DY6 8AL

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		427,766		385,815
Investments	5		<u>210</u>		<u>315</u>
			427,976		386,130
CURRENT ASSETS					
Stocks	6	51,761		54,889	
Debtors	7	634,094		430,410	
Cash at bank and in hand		<u>584,335</u>		<u>329,215</u>	
		1,270,190		814,514	
CREDITORS					
Amounts falling due within one year	8	<u>639,550</u>		<u>537,973</u>	
NET CURRENT ASSETS			<u>630,640</u>		<u>276,541</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,058,616		662,671
CREDITORS					
Amounts falling due after more than one year	9		(382,539)		-
PROVISIONS FOR LIABILITIES			<u>(43,288)</u>		<u>(38,291)</u>
NET ASSETS			<u>632,789</u>		<u>624,380</u>
CAPITAL AND RESERVES					
Called up share capital			145		145
Capital redemption reserve			105		105
Retained earnings			<u>632,539</u>		<u>624,130</u>
SHAREHOLDERS' FUNDS			<u>632,789</u>		<u>624,380</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

STATEMENT OF FINANCIAL POSITION - continued
31ST DECEMBER 2020

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 12th August 2021 and were signed on its behalf by:

J Walsh - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020

1. STATUTORY INFORMATION

Midtherm Engineering Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Government grants

Grants relating to revenue costs are credited to the profit and loss account in line with the relevant costs.

Government grants received in respect of the Coronavirus Job Retention Scheme are credited to the profit and loss account in line with payroll costs incurred.

Covid Business Interruption Loan Scheme

Loans received under the Covid Business Interruption Loan Scheme (CIBLS) are recorded at the transaction price ie the cash received, unless there is a material difference between the actual rate of interest on the loan and a market rate for a similar debt. Under the scheme, the loan carries a government-backed guarantee and the government makes a business interruption payment (BIP), ie the government pays any fees and interest payments for the first twelve months. Accordingly the BIP is grossed up and shown as government grants received and the fees and interest payments included in the profit and loss account in the period they relate to.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The assessment of the stage of completion is dependent on the nature of the contract, but will generally be based on the estimated proportion of the total contract costs which have been incurred to date. If a contract is expected to be loss-making, a provision is recognised for the entire loss.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 27 (2019 - 26) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1st January 2020	313,986	451,942	765,928
Additions	-	138,343	138,343
Disposals	-	(22,975)	(22,975)
At 31st December 2020	<u>313,986</u>	<u>567,310</u>	<u>881,296</u>
DEPRECIATION			
At 1st January 2020	152,937	227,176	380,113
Charge for year	4,679	80,352	85,031
Eliminated on disposal	-	(11,614)	(11,614)
At 31st December 2020	<u>157,616</u>	<u>295,914</u>	<u>453,530</u>
NET BOOK VALUE			
At 31st December 2020	<u>156,370</u>	<u>271,396</u>	<u>427,766</u>
At 31st December 2019	<u>161,049</u>	<u>224,766</u>	<u>385,815</u>

Included in cost of land and buildings is freehold land of £ 80,000 (2019 - £ 80,000) which is not depreciated.

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Plant and machinery etc £
COST	
At 1st January 2020	104,029
Additions	50,935
Transfer to ownership	(104,029)
At 31st December 2020	<u>50,935</u>
DEPRECIATION	
At 1st January 2020	57,013
Charge for year	24,489
Transfer to ownership	(68,765)
At 31st December 2020	<u>12,737</u>
NET BOOK VALUE	
At 31st December 2020	<u>38,198</u>
At 31st December 2019	<u>47,016</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

5. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1st January 2020	315
Impairments	(105)
At 31st December 2020	210
NET BOOK VALUE	
At 31st December 2020	210
At 31st December 2019	315

6. STOCKS

	2020	2019
	£	£
Stocks	51,761	54,889

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	584,793	355,337
Other debtors	49,301	75,073
	634,094	430,410

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts	5,833	-
Hire purchase contracts and finance leases	11,801	22,350
Trade creditors	325,803	292,711
Taxation and social security	224,228	192,325
Other creditors	71,885	30,587
	639,550	537,973

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	344,167	-
Hire purchase contracts and finance leases	38,372	-
	382,539	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2020

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

	2020	2019
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>64,167</u>	<u>-</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank loans	350,000	-
Hire purchase contracts and finance leases	<u>50,173</u>	<u>22,350</u>
	<u>400,173</u>	<u>22,350</u>

The hire purchase and finance lease contracts are secured on the assets to which they relate.

The CIBLS bank loan is secured by a fixed and floating charge over the freehold land and buildings. Interest is charged at the base plus 2.5%. Repayments commence 13 months after the date of receipt.

11. **POST BALANCE SHEET EVENTS**

The duration and impact of COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. The directors have therefore determined that there are no subsequent events that require adjustment in the financial statements.

CHARTERED CERTIFIED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
MIDTHERM ENGINEERING LIMITED

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Statement of Financial Position. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Midtherm Engineering Limited for the year ended 31st December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/rulebook>.

This report is made solely to the Board of Directors of Midtherm Engineering Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Midtherm Engineering Limited and state those matters that we have agreed to state to the Board of Directors of Midtherm Engineering Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/factsheet163>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Midtherm Engineering Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Midtherm Engineering Limited. You consider that Midtherm Engineering Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Midtherm Engineering Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

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12th August 2021

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.