

COMPANY REGISTRATION NUMBER: 02311887

MLR NETWORKS LTD

UNAUDITED FINANCIAL STATEMENTS

31 January 2019

MLR NETWORKS LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2019

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MLR NETWORKS LTD

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr P Morris

Mr I Morris

Mr S Wood

Registered office

Unit 9 Beeston Court

Manor Park

Runcorn

Cheshire

WA7 1SS

Accountants

ERC Accountants & Business Advisers Limited

Chartered accountants

Hanover Buildings

11-13 Hanover Street

Liverpool

L1 3DN

MLR NETWORKS LTD

CHARTERED ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MLR NETWORKS LTD

YEAR ENDED 31 JANUARY 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MLR Networks LTD for the year ended 31 January 2019, which comprise the statement of financial position 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 Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance. This report is made solely to the Board of Directors of MLR Networks LTD, as a body, in accordance with the terms of our engagement letter dated 9 January 2019. Our work has been undertaken solely to prepare for your approval the financial statements of MLR Networks LTD and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MLR Networks LTD and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that MLR Networks LTD 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 loss of MLR Networks LTD. You consider that MLR Networks LTD 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 MLR Networks LTD. 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.

ERC Accountants & Business Advisers Limited Chartered accountants
Hanover Buildings 11-13 Hanover Street Liverpool L1 3DN
25 October 2019

MLR NETWORKS LTD**STATEMENT OF FINANCIAL POSITION****31 January 2019**

| | | 2019 | 2018 |
|--|-------------|------------------|----------------|
| | Note | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 5 | 267,222 | 48,479 |
| CURRENT ASSETS | | | |
| Stocks | | 109,300 | 27,825 |
| Debtors | 6 | 1,018,909 | 921,722 |
| Cash at bank and in hand | | 4,092 | 31,839 |
| | | <u>1,132,301</u> | <u>981,386</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 7 | 570,953 | 264,767 |
| NET CURRENT ASSETS | | <u>561,348</u> | <u>716,619</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 828,570 | 765,098 |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 8 | 155,000 | — |
| PROVISIONS | | (17,955) | 1,665 |
| NET ASSETS | | <u>691,525</u> | <u>763,433</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 1,000 | 1,000 |
| Share premium account | | 611,835 | 611,835 |
| Profit and loss account | | 78,690 | 150,598 |
| SHAREHOLDERS FUNDS | | <u>691,525</u> | <u>763,433</u> |

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

MLR NETWORKS LTD

STATEMENT OF FINANCIAL POSITION *(continued)*

31 January 2019

For the year ending 31 January 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- 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 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 25 October 2019 , and are signed on behalf of the board by:

Mr P Morris

Director

Company registration number: 02311887

MLR NETWORKS LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2019

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 9 Beeston Court, Manor Park, Runcorn, Cheshire, WA7 1SS.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|-----------------------|---|-------------------|
| Plant and machinery | - | 15% straight line |
| Fixtures and fittings | - | 15% straight line |
| Motor vehicles | - | 25% straight line |
| Equipment | - | 25% straight line |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 30 (2018: 25).

5. TANGIBLE ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Equipment £ | Total £ |
|------------------------|---------------------------|-----------------------------|-------------------------------|---------------------|----------------|------------|
| Cost | | | | | | |
| At 1 Feb 2018 | — | 67,173 | — | 12,450 | 58,885 | 138,508 |
| Additions | 228,755 | 2,303 | 2,633 | — | 3,257 | 236,948 |
| At 31 Jan 2019 | 228,755 | 69,476 | 2,633 | 12,450 | 62,142 | 375,456 |
| Depreciation | | | | | | |
| At 1 Feb 2018 | — | 31,192 | — | 10,054 | 48,783 | 90,029 |
| Charge for the year | — | 9,778 | 395 | 1,438 | 6,594 | 18,205 |
| At 31 Jan 2019 | — | 40,970 | 395 | 11,492 | 55,377 | 108,234 |
| Carrying amount | | | | | | |
| At 31 Jan 2019 | 228,755 | 28,506 | 2,238 | 958 | 6,765 | 267,222 |
| At 31 Jan 2018 | — | 35,981 | — | 2,396 | 10,102 | 48,479 |

6. DEBTORS

| | 2019 £ | 2018 £ |
|---------------|-----------|-----------|
| Trade debtors | 424,509 | 308,166 |
| Other debtors | 594,400 | 613,556 |
| | 1,018,909 | 921,722 |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|---------------------------------|-------------|---------|
| | £ | £ |
| Bank loans and overdrafts | 66,138 | 26 |
| Trade creditors | 133,363 | 82,231 |
| Social security and other taxes | 52,763 | 69,159 |
| Installation Equipment | — | 2,359 |
| Skipton factoring | 127,890 | — |
| Other creditors | 190,799 | 110,992 |
| | ----- | ----- |
| | 570,953 | 264,767 |
| | ----- | ----- |

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

| | 2019 | 2018 |
|---------------------------|-------------|------|
| | £ | £ |
| Bank loans and overdrafts | 155,000 | — |
| | ----- | ---- |

The loan is secured by way of a fixed charge on the property.

9. GOING CONCERN

The company is able to meet its day to day working capital requirements through the support of the directors and the company's creditors. Therefore the directors consider it appropriate to prepare financial statements on the going concern basis.

10. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

No director received advances, credits or guarantees during the current or previous accounting periods.

11. RELATED PARTY TRANSACTIONS

The following related party transactions were undertaken during the year: During the period a director received advances of £2,415 and repaid £2,159. At the balance sheet date the amounts owed to the director totalled £nil. (2018: £256). During the period a director received advances of £2,974, introduced £2,000 and paid for business expenses totalling £33,324. At the balance sheet date the amounts owed to the director totalled £40,381 (2018: £8,030). During the period a director received advances of £2,145, introduced £2,000 and paid for business expenses totalling £27,044. At the balance sheet date the amounts owed to the director totalled £27,034 (2018: £135) During the year a company under common control received money totalling £1,350, was issued dividends of £4,000 and withdrew £4,000 (2018: Received monies totalling £79, was issued dividends of £32,000 and withdrew £32,000). At the balance sheet date MLR Networks Ltd were owed £581,463 (2018: £580,113). During the year the company entered into a loan agreement to the value of £181,000 with two people, one of which is a director. The agreement states the repayment terms and also that no interest is to be charged on the loan. The amount owed by the company at the balance sheet date was £179,000. No further transactions with related parties were undertaken such as are required to be disclosed in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.