

**MD THOMPSON ELECTRICAL  
WHOLESALEERS LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

**PAGES FOR FILING WITH REGISTRAR**

# **MD THOMPSON ELECTRICAL WHOLESALERS LIMITED**

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# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## BALANCE SHEET AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	3	220,101	275,127
Tangible assets	4	227,290	241,302
		<u>447,391</u>	<u>516,429</u>
<b>Current assets</b>			
Stocks		408,409	345,551
Debtors	5	4,119,152	4,072,856
Cash at bank and in hand		543,175	635,569
		<u>5,070,736</u>	<u>5,053,976</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(833,943)</u>	<u>(897,084)</u>
<b>Net current assets</b>		<u>4,236,793</u>	<u>4,156,892</u>
<b>Total assets less current liabilities</b>		<u>4,684,184</u>	<u>4,673,321</u>
<b>Provisions for liabilities</b>		<u>(16,073)</u>	<u>(11,697)</u>
<b>Net assets</b>		<u><u>4,668,111</u></u>	<u><u>4,661,624</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss reserves		<u>4,668,011</u>	<u>4,661,524</u>
<b>Total equity</b>		<u><u>4,668,111</u></u>	<u><u>4,661,624</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

# **MD THOMPSON ELECTRICAL WHOLESALERS LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2020**

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		2020		2019	
Notes	£		£		£

The financial statements were approved by the board of directors and authorised for issue on 12 November 2020 and are signed on its behalf by:

Mr S Wickham  
**Director**

Mr S Bacey  
**Director**

**Company Registration No. 02859169**

# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

#### Company information

MD Thompson Electrical Wholesalers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Lancaster House, 87 Yarmouth Road, Norwich, Norfolk, NR7 0HF. The company's principal place of business is 200-216 Heigham Street, Norwich NR2 4TZ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, at the balance sheet date, the UK had recently entered lockdown measures and restrictions imposed by Government to combat the Coronavirus outbreak. Similar measures and restrictions were also in place throughout the world.

Having made changes to operating practices and the workplace to enhance the safety of employees and by following government guidelines, the company has, to date, been able to continue its operations. Since the year-end, UK lockdown measures have begun to be eased.

In the wake of the above restrictions the directors have reviewed the financial impact of the UK and worldwide restrictions and, despite the current ongoing situation and related financial uncertainties, in the light of the cash reserves of the company, they consider that the company has adequate resources available to continue operations for the foreseeable future. However, in common with all organisations across the world, this situation cannot be guaranteed as the likelihood of, and further impact from, national and global resurgences of COVID-19 cannot be predicted with certainty.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies (Continued)

##### 1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years.

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold property improvements	Over the life of the lease
Fixtures and equipment	20% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials

# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Classification of financial liabilities*

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 company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies (Continued)

##### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

###### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

###### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The material cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

##### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.



# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	27	26

#### 3 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	550,256
<b>Amortisation and impairment</b>	
At 1 April 2019	275,129
Amortisation charged for the year	55,026
At 31 March 2020	330,155
<b>Carrying amount</b>	
At 31 March 2020	220,101
At 31 March 2019	275,127

# MD THOMPSON ELECTRICAL WHOLESALERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

4	Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
		£	£	£
	<b>Cost</b>			
	At 1 April 2019	276,006	207,916	483,922
	Additions	-	51,000	51,000
	Disposals	-	(20,184)	(20,184)
	At 31 March 2020	276,006	238,732	514,738
	<b>Depreciation and impairment</b>			
	At 1 April 2019	128,070	114,550	242,620
	Depreciation charged in the year	29,535	27,317	56,852
	Eliminated in respect of disposals	-	(12,024)	(12,024)
	At 31 March 2020	157,605	129,843	287,448
	<b>Carrying amount</b>			
	At 31 March 2020	118,401	108,889	227,290
	At 31 March 2019	147,936	93,366	241,302
5	Debtors		2020	2019
	Amounts falling due within one year:		£	£
	Trade debtors		805,700	954,204
	Amounts owed by group undertakings		3,296,561	3,113,250
	Other debtors		16,891	5,402
			4,119,152	4,072,856
6	Creditors: amounts falling due within one year		2020	2019
			£	£
	Trade creditors		460,229	448,252
	Corporation tax		94,576	125,261
	Other taxation and social security		92,289	95,281
	Other creditors		186,849	228,290
			833,943	897,084

# **MD THOMPSON ELECTRICAL WHOLESALERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2020**

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#### **7 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<b>2020</b>	<b>2019</b>
<b>£</b>	<b>£</b>
<b>156,000</b>	195,000
<b>=====</b>	<b>=====</b>

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