

# M1 Hose & Hydraulics Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 July 2019

Beresfords  
Chartered Accountants  
Castle House  
Castle Hill Avenue  
Folkestone  
Kent  
CT20 2TQ

# **M1 Hose & Hydraulics Limited**

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# **M1 Hose & Hydraulics Limited**

## **Company Information**

**Director** Mr G Lunt

**Registered office** Unit 32 Monckton Road Ind Estate  
Wakefield  
West Yorkshire  
WF2 7AL

# M1 Hose & Hydraulics Limited

(Registration number: 04211655)

## Balance Sheet as at 31 July 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	<u>3</u>	42,769	19,306
Tangible assets	<u>4</u>	20,640	20,508
		<u>63,409</u>	<u>39,814</u>
<b>Current assets</b>			
Stocks	<u>5</u>	38,520	124,014
Debtors	<u>6</u>	127,556	144,833
Cash at bank and in hand		<u>14,217</u>	<u>18,512</u>
		180,293	287,359
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	<u>(153,526)</u>	<u>(125,049)</u>
<b>Net current assets</b>		<u>26,767</u>	<u>162,310</u>
<b>Total assets less current liabilities</b>		90,176	202,124
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	<u>(16,459)</u>	<u>(37,217)</u>
<b>Net assets</b>		<u>73,717</u>	<u>164,907</u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		<u>72,717</u>	<u>163,907</u>
<b>Total equity</b>		<u>73,717</u>	<u>164,907</u>

The notes on pages 4 to 12 form an integral part of these financial statements.

**M1 Hose & Hydraulics Limited**  
**(Registration number: 04211655)**  
**Balance Sheet as at 31 July 2019 (continued)**

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

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 4 December 2019

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Mr G Lunt

Director

The notes on pages 4 to 12 form an integral part of these financial statements.

# **M1 Hose & Hydraulics Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 32 Monckton Road Ind Estate  
Wakefield  
West Yorkshire  
WF2 7AL

The principal place of business is:

32 Monckton Road Industrial Estate  
Wakefield  
Yorkshire  
WF2 7AL

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Tax**

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

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

# **M1 Hose & Hydraulics Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)**

### **2 Accounting policies (continued)**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10 year straight line
Fixtures and fittings	10 year straight line
Motor vehicles	3 and 4 year straight line
Office equipment	5 year straight line

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10 year straight line

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# **M1 Hose & Hydraulics Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)**

### **2 Accounting policies (continued)**

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.



# **M1 Hose & Hydraulics Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)**

### **2 Accounting policies (continued)**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# M1 Hose & Hydraulics Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

### 3 Intangible assets

	Goodwill £	Total £
<b>Cost or valuation</b>		
At 1 August 2018	62,875	62,875
Additions acquired separately	30,000	30,000
	<hr/>	<hr/>
At 31 July 2019	92,875	92,875
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 August 2018	43,569	43,569
Amortisation charge	6,537	6,537
	<hr/>	<hr/>
At 31 July 2019	50,106	50,106
	<hr/>	<hr/>
<b>Carrying amount</b>		
At 31 July 2019	42,769	42,769
	<hr/>	<hr/>
At 31 July 2018	19,306	19,306
	<hr/>	<hr/>

# M1 Hose & Hydraulics Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

### 4 Tangible assets

	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2018	20,599	39,513	68,579	115,423	244,114
Additions	-	350	-	17,572	17,922
At 31 July 2019	20,599	39,863	68,579	132,995	262,036
<b>Depreciation</b>					
At 1 August 2018	20,598	38,860	68,245	95,903	223,606
Charge for the year	1	545	167	17,077	17,790
At 31 July 2019	20,599	39,405	68,412	112,980	241,396
<b>Carrying amount</b>					
At 31 July 2019	-	458	167	20,015	20,640
At 31 July 2018	1	653	334	19,520	20,508

# **M1 Hose & Hydraulics Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)**

### **5 Stocks**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	<u>38,520</u>	<u>124,014</u>

### **6 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	112,977	139,198
Prepayments	7,876	5,635
Other debtors	<u>6,703</u>	<u>-</u>
	<u>127,556</u>	<u>144,833</u>

# M1 Hose & Hydraulics Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

### 7 Creditors

#### Creditors: amounts falling due within one year

	Note	2019 £	2018 £
<b>Due within one year</b>			
Bank loans and overdrafts	<u>8</u>	6,655	5,831
Trade creditors		52,936	68,501
Taxation and social security		11,280	32,665
Other creditors		<u>82,655</u>	<u>18,052</u>
		<u>153,526</u>	<u>125,049</u>

#### Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
<b>Due after one year</b>			
Loans and borrowings	<u>8</u>	<u>16,459</u>	<u>37,217</u>

### 8 Loans and borrowings

	2019 £	2018 £
<b>Non-current loans and borrowings</b>		
HP and finance lease liabilities	16,459	11,849
Directors loan account	<u>-</u>	<u>25,368</u>
	<u>16,459</u>	<u>37,217</u>

	2019 £	2018 £
<b>Current loans and borrowings</b>		
Hire purchase liabilities	<u>6,655</u>	<u>5,831</u>

### 9 Dividends

#### Interim dividends paid

	2019 £	2018 £
Interim dividend of £12 (2018 - £Nil) per each Ordinary	<u>12,100</u>	<u>-</u>

# M1 Hose & Hydraulics Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019 (continued)

### 10 Related party transactions

#### Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	18,000	57,400

#### Loans from related parties

	Key management £	Total £
<b>2019</b>		
At start of period	25,367	25,367
Repaid	(25,367)	(25,367)
At end of period	-	-
	Key management £	Total £
<b>2018</b>		
At start of period	31,367	31,367
Repaid	(6,000)	(6,000)
At end of period	25,367	25,367

#### Terms of loans from related parties

The Director's loan to the company has no terms of repayment and is interest free .

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