

MDLS SOLICITORS LIMITED

UNAUDITED
FINANCIAL STATEMENTS

31 MAY 2020

ArmstrongWatson[®]
Accountants, Business & Financial Advisers

MDLS SOLICITORS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MDLS SOLICITORS LIMITED FOR THE YEAR ENDED 31 MAY 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 MDLS Solicitors Limited for the year ended 31 May 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 <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of MDLS Solicitors Limited, as a body, in accordance with the terms of our engagement letter dated 22 January 2018. Our work has been undertaken solely to prepare for your approval the financial statements of MDLS Solicitors Limited and state those matters that we have agreed to state to the Board of Directors of MDLS Solicitors Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MDLS Solicitors Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that MDLS Solicitors 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 loss of MDLS Solicitors Limited. You consider that MDLS Solicitors Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of MDLS Solicitors 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.

Armstrong Watson Audit Limited

Chartered Accountants

Leeds

16 November 2020

MDLS SOLICITORS LIMITED
REGISTERED NUMBER: 08599445

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2020

	<i>Note</i>	2020 £	2019 £
Fixed assets			
Tangible assets	4	<u>4,791</u>	<u>6,727</u>
		4,791	6,727
Current assets			
Debtors: amounts falling due within one year	5	315,145	244,520
Cash at bank and in hand		<u>118,320</u>	<u>38,725</u>
		433,465	283,245
Creditors: amounts falling due within one year	6	<u>(197,087)</u>	<u>(175,768)</u>
Net current assets		<u>236,378</u>	<u>107,477</u>
Total assets less current liabilities		<u>241,169</u>	<u>114,204</u>
Creditors: amounts falling due after more than one year	7	(227,097)	(80,079)
Provisions for liabilities			
Deferred tax		<u>(604)</u>	<u>(604)</u>
		<u>(604)</u>	<u>(604)</u>
Net assets		<u><u>13,468</u></u>	<u><u>33,521</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>13,368</u>	<u>33,421</u>
		<u><u>13,468</u></u>	<u><u>33,521</u></u>

MDLS SOLICITORS LIMITED
REGISTERED NUMBER: 08599445

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2020

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 the 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 by by:

.....
Matthew Dowell

Director

Date: 14 November 2020

The notes on pages 4 to 10 form part of these financial statements.

MDLS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

MDLS Solicitors Limited is a private company, limited by shares, incorporated and domiciled in England. The company is a tax resident in England.

The principal activity of the company is that of the provision of legal services as regulated by the Solicitors Regulation Authority.

MDLS Solicitors Limited operates from its registered office at The Tannery, 91 Kirkstall Road, Leeds, LS3 1HS with company number 08599445.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

At the date of the signing of the financial statements, the consequences of COVID-19 on the company and the financial statements are subject to a high level of estimation uncertainty.

The Directors have considered the effect of national government measures (lockdowns, government grants etc.) as a consequence of the COVID-19 pandemic outbreak during March 2020. The preparation of these financial statements includes any adjustments, provisions, accruals or impairments that may be required, in the reasonable judgement of the Directors, based on the information available to them at the time of signing the directors report.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared the financial statements on the going concern basis after assessing the principal risk and considering the likelihood of success in raising the funds.

At the balance sheet date, the company had net assets of £13,468 (2019: net assets of £33,521). Based on financial projections prepared by the directors, which take account of the continuing financial support of the company's shareholders, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 Statement of Financial Position 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 reporting date.

2.9 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33%	straight line
Computer equipment	-	33%	straight line
Law books	-	33%	straight line

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 profit or loss.

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 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.

2.13 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.14 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, loans to related parties and investments in ordinary shares.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2019 - 9).

MDLS SOLICITORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

4. Tangible fixed assets

	<i>Office equipment</i>	<i>Computer equipment</i>	<i>Law books</i>	<i>Total</i>
	£	£	£	£
Cost or valuation				
At 1 June 2019	1,803	8,354	521	10,678
Additions	-	2,880	874	3,754
Disposals	-	(6,282)	-	(6,282)
At 31 May 2020	1,803	4,952	1,395	8,150
Depreciation				
At 1 June 2019	103	3,526	322	3,951
Charge for the year on owned assets	595	2,736	239	3,570
Disposals	-	(4,162)	-	(4,162)
At 31 May 2020	698	2,100	561	3,359
Net book value				
At 31 May 2020	1,105	2,852	834	4,791
At 31 May 2019	1,700	4,828	199	6,727

MDLS SOLICITORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

5. Debtors

	2020 £	2019 £
Trade debtors	247,668	130,301
Other debtors	45,132	70,400
Prepayments	22,345	43,819
	<u>315,145</u>	<u>244,520</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	58,495	83,862
Trade creditors	59,483	23,406
Corporation tax	-	4
Other taxation and social security	44,280	34,821
Other creditors	13,807	2,647
Accruals and deferred income	21,022	31,028
	<u>197,087</u>	<u>175,768</u>

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

	2020 £	2019 £
Bank loans	227,097	80,079
	<u>227,097</u>	<u>80,079</u>

8. Pension commitments

The company operates a defined contributions pension scheme for its employees and directors. 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 £2,743 (2019: £3,777). An amount of £361 (2019: £ Nil) relating to outstanding pension contributions was included within other creditors at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

9. Commitments under operating leases

At 31 May 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £
Not later than 1 year	54,519
Later than 1 year and not later than 5 years	15,278
	<hr/> 69,797 <hr/>

10. Related party transactions

Included within other debtors due within one year are loans to M Dowell, a director, amounting to £29,085 (2019: £32,785). The loan is interest free and repayable on demand.

Included within other debtors due within one year are loans to I McCann, a director, amounting to £16,047 (2019: £37,615). The loan is interest free and repayable on demand.

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.