

MOTEST SOUTHERN LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2021

MOTEST SOUTHERN LIMITED
REGISTERED NUMBER: 10551892

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	32,846	57,104
Current assets			
Stocks		3,750	-
Debtors: amounts falling due within one year	6	101,988	157,226
Cash at bank and in hand		57,888	97,082
		<u>163,626</u>	<u>254,308</u>
Creditors: amounts falling due within one year	7	(271,180)	(418,477)
Net current liabilities		<u>(107,554)</u>	<u>(164,169)</u>
Total assets less current liabilities		<u>(74,708)</u>	<u>(107,065)</u>
Creditors: amounts falling due after more than one year	8	(40,000)	(1,425)
Net liabilities		<u><u>(114,708)</u></u>	<u><u>(108,490)</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(114,710)	(108,492)
		<u><u>(114,708)</u></u>	<u><u>(108,490)</u></u>

MOTEST SOUTHERN LIMITED
REGISTERED NUMBER: 10551892

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2021

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:

J H Ball

Director

Date: 4 November 2021

The notes on pages 3 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Motest Southern Limited (registered number 10551892) is a private company, limited by shares and incorporated in England and Wales. Its registered office is Unit B Central Estate, Albert Road, Aldershot, Hampshire, GU11 1SZ.

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 following principal accounting policies have been applied:

2.2 Going concern

As shown in the financial statements, at the year end total liabilities exceeded total assets by £88,930 (2020 £108,490). The company meets its day to day working capital requirements through the support of the directors. The directors have confirmed that their support will continue for the foreseeable future.

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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 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.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

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:

Long-term leasehold property	-	20%	straight line
Plant and machinery	-	20%	straight line
Fixtures and fittings	-	20%	straight line
Computer equipment	-	25%	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 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.11 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.

2.12 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.

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.14 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.

2.15 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.

3. Employees

The average monthly number of employees, including directors, during the year was 33 (2020 - 32).

4. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(5,084)	(7,114)
Total deferred tax	(5,084)	(7,114)
Taxation on loss on ordinary activities	(5,084)	(7,114)

MOTEST SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

4. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(11,302)</u>	<u>(87,085)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(2,147)	(16,546)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	162	-
Capital allowances for year in excess of depreciation	4,609	6,148
Utilisation of tax losses	(3,387)	-
Changes in provisions leading to an increase (decrease) in the tax charge	765	-
Deferred tax	(5,086)	(7,114)
Unrelieved tax losses (used)/ carried forward	-	10,398
Total tax charge for the year	<u><u>(5,084)</u></u>	<u><u>(7,114)</u></u>

Factors that may affect future tax charges

There are losses of £59,315 (2020 - £27,047) to carry forward to set against future taxable profits.

MOTEST SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2020	41,909	106,474	7,370	6,120	161,873
Additions	-	2,476	-	5,880	8,356
At 30 June 2021	41,909	108,950	7,370	12,000	170,229
Depreciation					
At 1 July 2020	23,847	71,234	5,159	4,529	104,769
Charge for the year on owned assets	8,382	21,377	1,474	1,381	32,614
At 30 June 2021	32,229	92,611	6,633	5,910	137,383
Net book value					
At 30 June 2021	9,680	16,339	737	6,090	32,846
At 30 June 2020	18,062	35,240	2,211	1,591	57,104

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	3,520	5,280

MOTEST SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

6. Debtors

	2021 £	2020 £
Trade debtors	2,579	55,730
Amounts owed by related companies	20,683	15,089
Other debtors	18,579	38,596
Prepayments and accrued income	53,822	46,570
Deferred taxation	6,325	1,241
	<u>101,988</u>	<u>157,226</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	10,000	50,000
Trade creditors	49,836	111,803
Other taxation and social security	17,070	79,066
Obligations under finance lease and hire purchase contracts	1,425	3,136
Other creditors	173,671	168,336
Accruals and deferred income	19,178	6,136
	<u>271,180</u>	<u>418,477</u>

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

	2021 £	2020 £
Bank loans	40,000	-
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>1,425</u>

MOTEST SOUTHERN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	10,000	50,000
Amounts falling due 2-5 years		
Bank loans	40,000	-
	<u>50,000</u>	<u>50,000</u>

10. Hire purchase and finance leases

	2021 £	2020 £
Within one year	1,425	3,136
Between 1-5 years	-	1,425
	<u>1,425</u>	<u>4,561</u>

11. Deferred taxation

	2021 £
At beginning of year	1,241
Charged to profit or loss	5,084
At end of year	<u>6,325</u>

MOTEST SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

11. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(4,402)	(7,418)
Tax losses carried forward	9,523	8,276
Pension surplus	1,204	383
	<u>6,325</u>	<u>1,241</u>

12. Prior year adjustment

We are disclosing details of an accounting prior year adjustment that impacts the accounting and tax profit for the year ended 30 June 2020. A £50,000 Bounce Back Loan and a Service charge accrual of £99 were mistakenly included in other operating income. The impact on last year's accounts was loss before tax was understated by £50,099 and therefore the tax return reported losses that were £50,099 too low.

13. Pension commitments

The Company operates a defined contributions pension scheme. 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 £15,494 (2020 £13,417). Contributions totalling £2,591 (2020 £2,311) were payable to the fund at the balance sheet date and are included in creditors.

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.