

# Midlands Equipment Ltd

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 January 2020

# Midlands Equipment Ltd

## Contents

|   |               |
|---|---------------|
| Company Information                         | <u>1</u>      |
| Accountants' Report                         | <u>2</u>      |
| Balance Sheet                               | <u>3</u>      |
| Notes to the Unaudited Financial Statements | <u>4 to 9</u> |

# **Midlands Equipment Ltd**

## **Company Information**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | C J Cadman<br>A Cadman   |
| <b>Registered office</b> | 5 Prospect Place<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HG  |
| <b>Bankers</b>           | HSBC Bank Plc<br>1 St Peters Street<br>Derby<br>DE1 2AE  |
| <b>Accountants</b>       | Ashgates Corporate Services Limited<br>5 Prospect Place<br>Millennium Way<br>Pride Park<br>Derby<br>DE24 8HG |

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of  
the Unaudited Statutory Accounts of  
Midlands Equipment Ltd  
for the Year Ended 31 January 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Midlands Equipment Ltd for the year ended 31 January 2020 as set out on pages 3 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html>.

This report is made solely to the Board of Directors of Midlands Equipment Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Midlands Equipment Ltd and state those matters that we have agreed to state to the Board of Directors of Midlands Equipment Ltd, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at

[http://www.accaglobal.com/content/dam/ACCA\\_Global/Technical/fact/technical-factsheet-163.pdf](http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Midlands Equipment Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Midlands Equipment Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Midlands Equipment Ltd. You consider that Midlands Equipment 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 accounts of Midlands Equipment 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 accounts.

.....  
Ashgates Corporate Services Limited  
5 Prospect Place  
Millennium Way  
Pride Park  
Derby  
DE24 8HG

15 June 2020

**Midlands Equipment Ltd**  
**(Registration number: 08852513)**  
**Balance Sheet as at 31 January 2020**

|  | Note     | 2020<br>£            | 2019<br>£            |
|--|----------|----------------------|----------------------|
| <b>Fixed assets</b>  |          |                      |                      |
| Tangible assets  | <u>4</u> | 26,882               | 30,367               |
| <b>Current assets</b>  |          |                      |                      |
| Stocks   |          | 212,091              | 72,606               |
| Debtors  | <u>5</u> | 16,977               | 1,260                |
| Cash at bank and in hand                                       |          | 96,292               | 67,343               |
|  |          | <u>325,360</u>       | <u>141,209</u>       |
| <b>Creditors: Amounts falling due within one year</b>          | <u>6</u> | <u>(289,970)</u>     | <u>(135,827)</u>     |
| <b>Net current assets</b>                                      |          | <u>35,390</u>        | <u>5,382</u>         |
| <b>Total assets less current liabilities</b>                   |          | 62,272               | 35,749               |
| <b>Creditors: Amounts falling due after more than one year</b> | <u>6</u> | (11,059)             | (14,966)             |
| <b>Provisions for liabilities</b>                              |          | <u>(4,401)</u>       | <u>(5,770)</u>       |
| <b>Net assets</b>  |          | <u><u>46,812</u></u> | <u><u>15,013</u></u> |
| <b>Capital and reserves</b>                                    |          |                      |                      |
| Called up share capital  | <u>8</u> | 100                  | 100                  |
| Profit and loss account  |          | <u>46,712</u>        | <u>14,913</u>        |
| <b>Total equity</b>  |          | <u><u>46,812</u></u> | <u><u>15,013</u></u> |

For the financial year ending 31 January 2020 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their 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 and 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 Board on 12 June 2020 and signed on its behalf by:

.....  
C J Cadman  
Director

The notes on pages 4 to 9 form an integral part of these financial statements.  
Page 3

# **Midlands Equipment Ltd**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020**

### **1 General information**

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

The principal place of business is Belper, Derbyshire.

The address of the registered office is given in the company information on page 1 of the financial statements.

### **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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **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.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

#### **Going concern**

The emergence of the global pandemic known as Covid-19 has raised significant uncertainty throughout the UK economy since the balance sheet date. The Company is making use of the Government support schemes and is working closely with customers and suppliers to review their plans and expected activities in the coming months.

At the time of approving the accounts there is uncertainty over the projected income for the company because this pandemic is unprecedented so no one can accurately predict how the economy will react over the coming year. Consideration has been given to the risks of reduced turnover, slow payment or non-payment of debts, the value of stock and other assets owned by the company. The going concern of the business will be dependent on achieving minimum income projections as well as on the continued financial support of shareholders and the Government support schemes.

Based on the information available and using a reasonable range of assumptions, the business can continue as a going concern and the accounts have been prepared on this basis.

#### **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.

## Midlands Equipment Ltd

### Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

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:

| Asset class                             | Depreciation method and rate |
|---|------------------------------|
| Plant and machinery                     | 25% reducing balance         |
| Fixtures, fittings and office equipment | 25% reducing balance         |
| Motor vehicles                          | 25% reducing balance         |

#### Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

#### 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.

## **Midlands Equipment Ltd**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020**

#### **Leases**

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.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors ) during the year, was 2 (2019- 1).



# Midlands Equipment Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

### 4 Tangible assets

|                          | Fixtures,<br>fittings and<br>office<br>equipment<br>£ | Motor vehicles<br>£ | Plant and<br>machinery<br>£ | Total<br>£ |
|--------------------------|---|---------------------|-----------------------------|------------|
| <b>Cost or valuation</b> |   |                     |                             |            |
| At 1 February 2019       | 1,692   | 24,274              | 7,721                       | 33,687     |
| Additions                | -   | -                   | 4,675                       | 4,675      |
| At 31 January 2020       | 1,692   | 24,274              | 12,396                      | 38,362     |
| <b>Depreciation</b>      |   |                     |                             |            |
| At 1 February 2019       | 200   | 1,517               | 1,603                       | 3,320      |
| Charge for the year      | 373   | 5,689               | 2,098                       | 8,160      |
| At 31 January 2020       | 573   | 7,206               | 3,701                       | 11,480     |
| <b>Carrying amount</b>   |   |                     |                             |            |
| At 31 January 2020       | 1,119   | 17,068              | 8,695                       | 26,882     |
| At 31 January 2019       | 1,492   | 22,757              | 6,118                       | 30,367     |

### 5 Debtors

|               | 2020<br>£ | 2019<br>£ |
|---------------|-----------|-----------|
| Trade debtors | 4,505     | -         |
| Other debtors | 12,472    | 1,260     |
|               | 16,977    | 1,260     |

# Midlands Equipment Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

### 6 Creditors

|                              | Note     | 2020<br>£      | 2019<br>£      |
|------------------------------|----------|----------------|----------------|
| <b>Due within one year</b>   |          |                |                |
| Hire purchase liabilities    | <u>7</u> | 3,907          | 3,907          |
| Trade creditors              |          | 83,205         | 3,867          |
| Taxation and social security |          | -              | 5,380          |
| Corporation tax              |          | 7,527          | -              |
| Other creditors              |          | 195,331        | 122,673        |
|                              |          | <u>289,970</u> | <u>135,827</u> |
| <b>Due after one year</b>    |          |                |                |
| Hire purchase liabilities    | <u>7</u> | <u>11,059</u>  | <u>14,966</u>  |
|                              | Note     | 2020<br>£      | 2019<br>£      |
| <b>Due after one year</b>    |          |                |                |
| Hire purchase liabilities    | <u>7</u> | <u>11,059</u>  | <u>14,966</u>  |

The hire purchase liabilities are secured against the assets to which they relate. The carrying amount at the year end is £14,966 (2019 - £18,873).

# Midlands Equipment Ltd

## Notes to the Unaudited Financial Statements for the Year Ended 31 January 2020

### 7 Hire purchase liabilities

|  | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| <b>Non-current hire purchase liabilities</b> |               |               |
| Hire purchase liabilities                    | <u>11,059</u> | <u>14,966</u> |

|  | 2020<br>£    | 2019<br>£    |
|--|--------------|--------------|
| <b>Current hire purchase liabilities</b> |              |              |
| Hire purchase liabilities                | <u>3,907</u> | <u>3,907</u> |

### 8 Share capital

#### Allotted, called up and fully paid shares

|                            | 2020 |     | 2019 |     |
|----------------------------|------|-----|------|-----|
|                            | No.  | £   | No.  | £   |
| Ordinary shares of £1 each | 100  | 100 | 100  | 100 |

### 9 Related party transactions

#### Summary of transactions with other related parties

Director of the company

The amount owed to the director at the balance sheet date was £193,258 (2019 - £88,720).

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.