

Unaudited Financial Statements Langley Mechanical Services Limited

For the Year Ended 31 December 2016



Registered number: 01536708

Langley Mechanical Services Limited

Company Information

Directors	Mr A Whysall Mrs S Whysall
Company secretary	Mr A Whysall
Registered number	01536708
Registered office	Langley Bridge Trading Estate Derby Road Eastwood Nottingham NG16 3RZ
Accountants	Grant Thornton UK LLP Chartered Accountants Regent House 80 Regent Road Leicester LE1 7NH
Solicitors	Robinsons 83 Friar Gate Derby DE1 1FL

Langley Mechanical Services Limited

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Balance sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	511,242	510,671
Current assets			
Stocks	5	384,416	399,129
Debtors: amounts falling due after more than one year	6	911,500	911,500
Debtors: amounts falling due within one year	6	680,139	670,754
Cash at bank and in hand	7	629,202	646,398
		<u>2,605,257</u>	<u>2,627,781</u>
Creditors: amounts falling due within one year	8	(624,883)	(707,285)
Net current assets		<u>1,980,374</u>	<u>1,920,496</u>
Total assets less current liabilities		<u>2,491,616</u>	<u>2,431,167</u>
Creditors: amounts falling due after more than one year	9	(217,465)	(213,360)
Provisions for liabilities			
Deferred tax	10	(50,000)	(45,900)
		<u>(50,000)</u>	<u>(45,900)</u>
Net assets		<u><u>2,224,151</u></u>	<u><u>2,171,907</u></u>

Balance sheet (continued)

As at 31 December 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital		25,000	25,000
Profit and loss account		2,199,151	2,146,907
		<u>2,224,151</u>	<u>2,171,907</u>

The directors consider that the Company is entitled to exemption from audit under section 479A 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 Companies Act 2006.

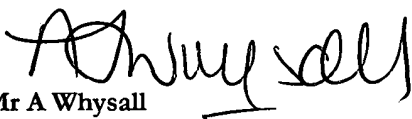
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 on 22 May 2017.



Mr A Whysall
Director

The notes on pages 3 to 10 form part of these financial statements.

Notes to the financial statements

For the Year Ended 31 December 2016

1. General information

Langley Mechanical Services Limited is a Company limited by shares. It is incorporated in England and its registered office is Langley Bridge Trading Estate, Derby Road, Eastwood, Nottingham, NG16 3RZ.

The principal activity of the Company is the supply, hire and maintenance of fork lift trucks.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised at the date of supply on new and used trucks sold. Income from truck hire is recognised on a pro rata basis over the term of the agreement. Income from services and maintenance is recognised on completion of the work.

2.3 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:

Plant & machinery	- 4 - 10 years
Motor vehicles	- 4 years
Fixtures & fittings	- 5 years

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 the Statement of income and retained earnings.

2.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Notes to the financial statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Notes to the financial statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.8 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.

2.9 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.10 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings 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 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. 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 December 2016

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 25 (2015 - 25).

Notes to the financial statements

For the Year Ended 31 December 2016

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2016	1,387,619	421,292	62,899	1,871,810
Additions	104,571	89,774	-	194,345
Disposals	(172,898)	(105,632)	-	(278,530)
At 31 December 2016	<u>1,319,292</u>	<u>405,434</u>	<u>62,899</u>	<u>1,787,625</u>
Depreciation				
At 1 January 2016	1,090,993	207,246	62,899	1,361,138
Charge for the year	86,604	77,091	-	163,695
Disposals	(156,728)	(91,722)	-	(248,450)
At 31 December 2016	<u>1,020,869</u>	<u>192,615</u>	<u>62,899</u>	<u>1,276,383</u>
Net book value				
At 31 December 2016	<u>298,423</u>	<u>212,819</u>	<u>-</u>	<u>511,242</u>
At 31 December 2015	<u>296,626</u>	<u>214,046</u>	<u>-</u>	<u>510,672</u>

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

	2016 £	2015 £
Plant and machinery	209,310	296,626
Motor vehicles	183,432	214,046
	<u>392,742</u>	<u>510,672</u>

5. Stocks

	2016 £	2015 £
Consumable stores and parts	139,266	118,005
Fork lift trucks	245,150	281,124
	<u>384,416</u>	<u>399,129</u>

Notes to the financial statements

For the Year Ended 31 December 2016

6. Debtors

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	<u>911,500</u>	<u>911,500</u>
	2016 £	2015 £
Due within one year		
Trade debtors	<u>680,139</u>	<u>670,754</u>
	<u>680,139</u>	<u>670,754</u>

7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>629,202</u>	<u>646,398</u>

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	312,674	336,416
Corporation tax	32,470	23,412
Other taxation and social security	75,239	130,707
Net obligations under finance lease and hire purchase contracts	170,299	165,821
Other creditors	34,201	50,929
	<u>624,883</u>	<u>707,285</u>

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

	2016 £	2015 £
Net obligations under finance leases and hire purchase contracts	<u>217,465</u>	<u>213,360</u>

Notes to the financial statements

For the Year Ended 31 December 2016

10. Deferred taxation

	2016 £	2015 £
At beginning of year	(45,900)	(36,400)
Charged to profit or loss	(4,100)	(9,500)
At end of year	(50,000)	(45,900)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Excess of taxation allowances over depreciation on fixed assets	(50,000)	(45,900)
	(50,000)	(45,900)

11. Contingent liabilities

The company operates a buy back arrangement on certain leased forklift trucks in which the vehicle will be repurchased from the customer at the end of the lease period. The amount relating to these deals at 31 December 2016 was £477,179 (2015: £357,871).

12. Pension commitments

Defined contribution schemes

The pension costs of £42,728 (2015: £87,168) charged against profits represents the amount of the contributions payable to the schemes in respect of the accounting period.

13. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Later than 1 year and not later than 5 years	40,500	54,000
Later than 5 years	18,000	18,000
	58,500	72,000

Notes to the financial statements

For the Year Ended 31 December 2016

14. Related party transactions

Included in debtors is £911,500 owed by the parent company (2015: £911,500). This loan is interest free and unsecured.

15. Controlling party

The ultimate parent undertaking of Langley Mechanical Services Limited is Langley Mechanical Limited by virtue of its majority shareholding. Langley Mechanical Limited is controlled by Mr A Whysall and Mrs S Whysall (also directors of Langley Mechanical Services Limited) by virtue of their shareholding.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.