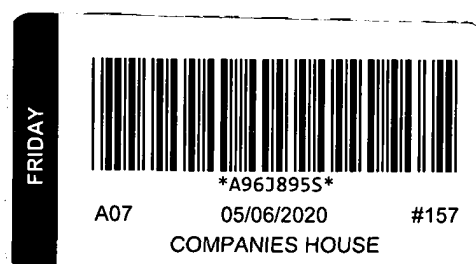

LANGLEY MECHANICAL SERVICES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019



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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LANGLEY MECHANICAL SERVICES LIMITED
REGISTERED NUMBER: 01536708

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	866,896	665,751
Current assets			
Stocks		501,378	506,158
Debtors: amounts falling due after more than one year	5	911,500	911,500
Debtors: amounts falling due within one year	5	1,126,030	1,062,481
Cash at bank and in hand	6	679,790	850,863
		<u>3,218,698</u>	<u>3,331,002</u>
Creditors: amounts falling due within one year	7	(922,912)	(1,224,178)
Net current assets		<u>2,295,786</u>	<u>2,106,824</u>
Total assets less current liabilities		<u>3,162,682</u>	<u>2,772,575</u>
Creditors: amounts falling due after more than one year	8	(447,458)	(336,093)
Provisions for liabilities			
Deferred tax		(107,890)	(69,730)
		<u>(107,890)</u>	<u>(69,730)</u>
Net assets		<u><u>2,607,334</u></u>	<u><u>2,366,752</u></u>

LANGLEY MECHANICAL SERVICES LIMITED
REGISTERED NUMBER: 01536708

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Capital and reserves			
Called up share capital		25,000	25,000
Profit and loss account		2,582,334	2,341,752
		<u>2,607,334</u>	<u>2,366,752</u>

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 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:



Mr A Whysall
Director

Date: 1 June 2020

The notes on pages 3 to 9 form part of these financial statements.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Langley Mechanical Services Limited is a private 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 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 financial statements are presented in Sterling (£).

The directors have assessed the company's ability to operate as a going concern for the next 12 months from the date of signing the financial statements. The directors have considered the prospects of the business, cash and balance sheet value and also the impact of Covid-19 and have concluded that the going concern basis is appropriate.

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.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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 of the recoverable amount, 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.

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.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

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 2016) 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.

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.

LANGLEY MECHANICAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2018 - 26).

4. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2019	1,430,475	407,442	62,899	1,900,816
Additions	273,085	159,094	-	432,179
Disposals	(93,485)	(53,095)	(62,899)	(209,479)
At 31 December 2019	<u>1,610,075</u>	<u>513,441</u>	<u>-</u>	<u>2,123,516</u>
Depreciation				
At 1 January 2019	906,854	265,312	62,899	1,235,065
Charge for the year on financed assets	114,675	84,063	-	198,738
Disposals	(71,710)	(42,574)	(62,899)	(177,183)
At 31 December 2019	<u>949,819</u>	<u>306,801</u>	<u>-</u>	<u>1,256,620</u>
Net book value				
At 31 December 2019	<u>660,256</u>	<u>206,640</u>	<u>-</u>	<u>866,896</u>
At 31 December 2018	<u>523,621</u>	<u>142,130</u>	<u>-</u>	<u>665,751</u>

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

	2019 £	2018 £
Plant and machinery	619,031	460,369
Motor vehicles	173,075	130,843
	<u>792,106</u>	<u>591,212</u>

LANGLEY MECHANICAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	911,500	911,500
	<u>911,500</u>	<u>911,500</u>
Due within one year		
Trade debtors	1,126,030	1,062,481
	<u>1,126,030</u>	<u>1,062,481</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	679,790	850,863
	<u>679,790</u>	<u>850,863</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	404,428	876,179
Corporation tax	39,806	39,595
Other taxation and social security	126,572	86,587
Net obligations under finance lease and hire purchase contracts	251,608	182,889
Other creditors	100,498	38,928
	<u>922,912</u>	<u>1,224,178</u>

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

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	447,458	336,093
	<u>447,458</u>	<u>336,093</u>

LANGLEY MECHANICAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. 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 2019 was £720,656 (2018: £718,443).

10. Pension commitments

Defined contribution schemes

The pension costs of £15,941 (2018: £9,490) charged against profits represents the amount of the contributions payable to the schemes in respect of the accounting period.

11. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Later than 1 year and not later than 5 years	18,000	31,500
	<u>18,000</u>	<u>31,500</u>

12. Related party transactions

Included in debtors is £911,500 owed by the parent company (2018: £911,500). This loan is interest free and unsecured.

13. 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.