

Registered number: 05595708

MFA/Como Drills Limited

Unaudited

Financial statements

For the year ended 31 October 2022

Chartered accountants' report to the director on the preparation of the unaudited statutory financial statements of MFA/Como Drills Limited for the year ended 31 October 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MFA/Como Drills Limited for the year ended 31 October 2022 which comprise the balance sheet 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 director of MFA/Como Drills Limited in accordance with the terms of our engagement letter dated 30 January 2020. Our work has been undertaken solely to prepare for your approval the financial statements of MFA/Como Drills Limited and state those matters that we have agreed to state to the director of MFA/Como Drills Limited 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 MFA/Como Drills Limited and its director for our work or for this report.

It is your duty to ensure that MFA/Como Drills 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 profit of MFA/Como Drills Limited. You consider that MFA/Como Drills 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 MFA/Como Drills 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.

Kreston Reeves LLP

Chartered Accountants

Discovery Park
14 December 2022

Balance sheet
As at 31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	2,837	3,785
Tangible assets	5	5,404	5,731
		<u>8,241</u>	<u>9,516</u>
Current assets			
Stocks		269,608	194,142
Debtors: amounts falling due within one year	6	105,946	84,804
Cash at bank and in hand		72,899	159,464
		<u>448,453</u>	<u>438,410</u>
Creditors: amounts falling due within one year	7	(55,949)	(42,755)
Net current assets		<u>392,504</u>	<u>395,655</u>
Total assets less current liabilities		<u>400,745</u>	<u>405,171</u>
Provisions for liabilities			
Deferred tax	8	(919)	(974)
		<u>(919)</u>	<u>(974)</u>
Net assets		<u><u>399,826</u></u>	<u><u>404,197</u></u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account		398,826	403,197
		<u><u>399,826</u></u>	<u><u>404,197</u></u>

Balance sheet (continued)
As at 31 October 2022

The director considers 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 director acknowledges his 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 14 December 2022.

Anthony Vatcher
Director

The notes on pages 4 to 11 form part of these financial statements.

Notes to the financial statements
For the year ended 31 October 2022

1. General information

MFA/Como Drills Limited ("the company") is a private company limited by shares and is incorporated in England with the registration number 05595708. The address of the registered office is 37 St Margarets Street, Canterbury, Kent, CT1 2TU.

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 have been rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

Whilst the impact of the COVID-19 pandemic has been assessed by the director, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Notes to the financial statements
For the year ended 31 October 2022

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of income and retained earnings in the same period as the related expenditure.

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 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 October 2022

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 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.

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the statement of income and retained earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Notes to the financial statements
For the year ended 31 October 2022

2. Accounting policies (continued)

2.10 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	-	20%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	20%	reducing balance

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.

2.11 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 balance sheet 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.

2.12 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.

2.13 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.

2.14 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 31 October 2022

2. Accounting policies (continued)

2.15 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 balance sheet 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 balance sheet.

2.16 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the statement of income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.17 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 12 (2021 - 13).

Notes to the financial statements
For the year ended 31 October 2022

4. Intangible assets

	Goodwill
	£
Cost	
At 1 November 2021	18,935
At 31 October 2022	<u>18,935</u>
Amortisation	
At 1 November 2021	15,151
Charge for the year on owned assets	<u>947</u>
At 31 October 2022	<u>16,098</u>
Net book value	
At 31 October 2022	<u><u>2,837</u></u>
At 31 October 2021	<u><u>3,785</u></u>

Notes to the financial statements
For the year ended 31 October 2022

5. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 November 2021	16,798	15,270	5,448	37,516
Additions	895	-	-	895
At 31 October 2022	<u>17,693</u>	<u>15,270</u>	<u>5,448</u>	<u>38,411</u>
Depreciation				
At 1 November 2021	14,191	13,723	3,871	31,785
Charge for the year on owned assets	521	386	315	1,222
At 31 October 2022	<u>14,712</u>	<u>14,109</u>	<u>4,186</u>	<u>33,007</u>
Net book value				
At 31 October 2022	<u>2,981</u>	<u>1,161</u>	<u>1,262</u>	<u>5,404</u>
At 31 October 2021	<u>2,607</u>	<u>1,547</u>	<u>1,577</u>	<u>5,731</u>

6. Debtors

	2022 £	2021 £
Trade debtors	90,614	80,773
Other debtors	13,136	1,604
Prepayments and accrued income	2,196	2,427
	<u>105,946</u>	<u>84,804</u>

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	40,442	29,013
Corporation tax	2,951	6,505
Other taxation and social security	3,453	3,000
Other creditors	562	552
Accruals and deferred income	8,541	3,685
	<u>55,949</u>	<u>42,755</u>

Notes to the financial statements
For the year ended 31 October 2022

8. Deferred taxation

	2022 £
At beginning of year	(974)
Charged to the profit or loss	55
At end of year	(919)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(919)	(974)
	(919)	(974)

9. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

10. 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 £1,112 (2021 - £1,125). Contributions totalling £Nil (2021 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

11. Related party transactions

At 31 October 2022, the company owed £562 (2021: £552) to A Vatcher, a director of the company. All related party transactions during the current and prior periods, were made under normal market conditions.

12. Controlling party

The company is controlled by A Vatcher, by virtue of his 100% shareholding in the company.

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.