

# Midland Communications Company Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 June 2018

# Midland Communications Company Limited

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# **Midland Communications Company Limited**

## **Company Information**

**Directors** S Mico  
D J Webster

**Company secretary** D J Webster

**Registered office** 18 Miller Court  
Severn Drive  
Tewkesbury  
Gloucestershire  
GL20 8DN

**Bankers** HSBC Bank plc  
Redditch  
Church Green West  
Redditch  
Worcestershire  
B97 4EA

**Accountants** Clement Rabjohns Limited  
Chartered Accountants  
111/113 High Street  
Evesham  
Worcestershire  
WR11 4XP

**Midland Communications Company Limited**

(Registration number: 01273257)

**Balance Sheet as at 30 June 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	11,124	36,651
<b>Current assets</b>			
Stocks	<u>5</u>	235,615	148,724
Debtors	<u>6</u>	1,540,930	1,522,230
Cash at bank and in hand		217,571	300,098
		1,994,116	1,971,052
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	(1,497,077)	(1,520,404)
<b>Net current assets</b>		497,039	450,648
<b>Total assets less current liabilities</b>		508,163	487,299
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	(26,495)	(9,561)
<b>Net assets</b>		<u>481,668</u>	<u>477,738</u>
<b>Capital and reserves</b>			
Called up share capital	<u>8</u>	6,555	6,555
Share premium reserve		34,455	34,455
Capital redemption reserve		4,900	4,900
Profit and loss account		435,758	431,828
<b>Total equity</b>		<u>481,668</u>	<u>477,738</u>

For the financial year ending 30 June 2018 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been 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.

The notes on pages 5 to 12 form an integral part of these financial statements.

**Midland Communications Company Limited**

**(Registration number: 01273257)  
Balance Sheet as at 30 June 2018**

Approved and authorised by the Board on 26 February 2019 and signed on its behalf by:

.....  
S Mico  
Director

.....  
D J Webster  
Company secretary and director

The notes on pages 5 to 12 form an integral part of these financial statements.

Midland Communications Company Limited

Statement of Changes in Equity for the Year Ended 30 June 2018

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2017	6,555	34,455	4,900	431,828	477,738
Profit for the year	-	-	-	78,930	78,930
Total comprehensive income	-	-	-	78,930	78,930
Dividends	-	-	-	(75,000)	(75,000)
At 30 June 2018	6,555	34,455	4,900	435,758	481,668

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 July 2016	6,555	34,455	4,900	648,880	694,790
Profit for the year	-	-	-	32,948	32,948
Total comprehensive income	-	-	-	32,948	32,948
Dividends	-	-	-	(250,000)	(250,000)
At 30 June 2017	6,555	34,455	4,900	431,828	477,738

The notes on pages 5 to 12 form an integral part of these financial statements.

## **Midland Communications Company Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **1 General information**

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

The address of its registered office is:

18 Miller Court  
Severn Drive  
Tewkesbury  
Gloucestershire  
GL20 8DN  
United Kingdom

These financial statements were authorised for issue by the Board on 26 February 2019.

#### **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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **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.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **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.

## Midland Communications Company Limited

### Notes to the Financial Statements for the Year Ended 30 June 2018

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
Equipment on hire	33.33% straight line
Furniture and fittings	20% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.



## **Midland Communications Company Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **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.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. 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.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## **Midland Communications Company Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2018**

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 33 (2017 - 32).

Midland Communications Company Limited

Notes to the Financial Statements for the Year Ended 30 June 2018

4 Tangible assets

	Fixtures, fittings and equipment £	Equipment on hire £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	53,590	20,658	183,373	257,621
Additions	3,318	3,876	-	7,194
Disposals	-	(2,109)	(56,660)	(58,769)
At 30 June 2018	56,908	22,425	126,713	206,046
<b>Depreciation</b>				
At 1 July 2017	40,578	17,161	163,230	220,969
Charge for the year	9,291	3,288	20,143	32,722
Eliminated on disposal	-	(2,109)	(56,660)	(58,769)
At 30 June 2018	49,869	18,340	126,713	194,922
<b>Carrying amount</b>				
At 30 June 2018	7,039	4,085	-	11,124
At 30 June 2017	13,012	3,497	20,142	36,651

5 Stocks

	2018 £	2017 £
Work in progress	235,615	148,724

6 Debtors

	Note	2018 £	2017 £
Trade debtors		275,089	361,122
Amounts owed by group undertakings and undertakings in which the company has a participating interest	12	1,140,366	1,056,050
Prepayments		58,104	92,747
Other debtors		67,371	12,311
		1,540,930	1,522,230

**Midland Communications Company Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2018**

**7 Creditors**

**Creditors: amounts falling due within one year**

	Note	2018 £	2017 £
<b>Due within one year</b>			
Bank loans and overdrafts	<u>9</u>	20,987	31,250
Trade creditors		767,156	862,564
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>12</u>	-	37,657
Taxation and social security		208,781	173,138
Accruals and deferred income		455,103	350,057
Other creditors		45,050	65,738
		<u>1,497,077</u>	<u>1,520,404</u>

**Creditors: amounts falling due after more than one year**

	Note	2018 £	2017 £
<b>Due after one year</b>			
Loans and borrowings	<u>9</u>	<u>26,495</u>	<u>9,561</u>

**8 Share capital**

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

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	6,555	6,555	6,555	6,555

**9 Loans and borrowings**

	2018 £	2017 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>26,495</u>	<u>9,561</u>

**Midland Communications Company Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2018**

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Finance lease liabilities	<u>20,987</u>	<u>31,250</u>

**10 Dividends**

	2018 £	2017 £
Interim dividend of £11.44 (2017 - £38.14) per ordinary share	<u>75,000</u>	<u>250,000</u>

**11 Financial commitments, guarantees and contingencies**

**Amounts not provided for in the balance sheet**

The total amount of financial commitments not included in the balance sheet is £138,172 (2017 - £73,687).

The total amount of guarantees not included in the balance sheet is £858,562 (2017 - £708,682). The company is party to a composite unlimited multilateral guarantee given to HSBC in respect of all group borrowings. It also provides security over group borrowings in the form of fixed and floating charges over all freehold and leasehold property and over book and other debts, chattels, goodwill and uncalled capital.

**12 Related party transactions**

**Transactions with directors**

	Advances to directors £	At 30 June 2018 £
<b>2018</b>		
<b>D J Webster</b>		
Loan from the company - interest paid at 2.5% pa	<u>27,113</u>	<u>27,113</u>
 <b>S Mico</b>		
Loan from the company - interest paid at 2.5% pa	<u>27,113</u>	<u>27,113</u>

**Midland Communications Company Limited**

**Notes to the Financial Statements for the Year Ended 30 June 2018**

**Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Remuneration	22,658	21,590
Contributions paid to money purchase schemes	656	636
	<u>23,314</u>	<u>22,226</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

**Summary of transactions with parent**

DWSM Ltd is the parent company with 86% holding in the company. The remaining 14% is held by the individual owners of DWSM Ltd therefore creating effective 100% ownership. As permitted under FRS 102 Section 1A transactions with the parent company and fellow 100% owned subsidiary have not been disclosed.

**13 Parent and ultimate parent undertaking**

The company's immediate parent is DWSM Limited, incorporated in England, UK.

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.