

COMPANY REGISTRATION NUMBER: 02515670

Middlegate (Europe) Limited
Filleted Financial Statements
For the Year Ended
31 December 2018

Middlegate (Europe) Limited

Statement of Financial Position

31 December 2018

		2018		2017
	Note	£	£	£
Fixed Assets				
Tangible assets	6	1,900,025		2,018,335
Investments	7	8,630		8,630
		<u>1,908,655</u>		<u>2,026,965</u>
Current Assets				
Stocks		21,324		5,422
Debtors	8	2,033,849		2,014,849
Cash at bank and in hand		<u>175,016</u>		<u>101,279</u>
		2,230,189		2,121,550
Creditors: amounts falling due within one year	9	<u>(2,669,372)</u>		<u>(2,418,760)</u>
Net Current Liabilities			(439,183)	(297,210)
Total Assets Less Current Liabilities			1,469,472	1,729,755
Creditors: amounts falling due after more than one year	10		(1,120,121)	(1,270,176)
Provisions			<u>(39,900)</u>	<u>(53,350)</u>
Net Assets			<u>309,451</u>	<u>406,229</u>
Capital and Reserves				
Called up share capital		1,000		1,000
Profit and loss account		<u>308,451</u>		<u>405,229</u>
Shareholder Funds		<u>309,451</u>		<u>406,229</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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.

Middlegate (Europe) Limited

Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 26 September 2019 , and are signed on behalf of the board by:

Mr K Notman Director

Company registration number: 02515670

Middlegate (Europe) Limited

Notes to the Financial Statements

Year Ended 31 December 2018

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Marfleet Environmental Technology Park, Westgate Way, Hedon Road, Hull, East Yorkshire, HU9 5LW.

2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Foreign Currency Policy

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Going Concern

Although the company has net current liabilities it has operated on this basis for a number of years. The directors consider that sufficient working capital facility is in place and that support from group companies will be available to allow the company to continue trading effectively. For this reason the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis.

Disclosure Exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Notman Enterprise Limited which can be obtained from the registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented. (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: Tangible fixed assets are stated at cost less depreciation and any impairments. Depreciation takes place over the estimated useful life down to the assessed residual value. The carrying amount of the fixed assets is tested as soon as changed conditions indicate that a need for impairment has arisen.

Revenue Recognition

The turnover shown in the profit and loss account represents the amount due (excluding VAT) for services provided during the period. Haulage and forwarding turnover is recognised at the time of shipping. Income from warehousing is recognised in the period to which it relates.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Short leasehold property	-	20% straight line
Machinery and equipment	-	20-25% straight line
Furniture and plant	-	20-25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee Numbers

The average number of persons employed by the company during the year amounted to 87 (2017: 75).

5. Tax on (Loss)/Profit

Major components of tax (income)/expense

	2018	2017
	£	£
Deferred tax:		
Origination and reversal of timing differences	(13,450)	13,000
	-----	-----
Tax on (loss)/profit	(13,450)	13,000
	-----	-----

6. Tangible Assets

	Freehold property £	Short leasehold property £	Machinery and equipment £	Furniture and plant £	Total £
Cost					
At 1 January 2018	1,819,503	14,391	157,224	836,265	2,827,383
Additions	—	—	908	88,158	89,066
	-----	-----	-----	-----	-----
At 31 December 2018	1,819,503	14,391	158,132	924,423	2,916,449
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Depreciation					
At 1 January 2018	168,503	10,391	73,129	557,025	809,048
Charge for the year	34,000	2,000	24,098	147,278	207,376
	-----	-----	-----	-----	-----
At 31 December 2018	202,503	12,391	97,227	704,303	1,016,424
	-----	-----	-----	-----	-----
Carrying amount					
At 31 December 2018	1,617,000	2,000	60,905	220,120	1,900,025
	-----	-----	-----	-----	-----
At 31 December 2017	1,651,000	4,000	84,095	279,240	2,018,335
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Included within freehold property cost is £9,020 for capitalised finance costs.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Furniture and plant £
At 31 December 2018	75,000
At 31 December 2017	174,000

Capital commitments

	2018 £	2017 £
Contracted for but not provided for in the financial statements	—	67,500

7. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2018 and 31 December 2018	10,050	8,530	18,580
Impairment			
At 1 January 2018 and 31 December 2018	9,950	—	9,950
Carrying amount			
At 31 December 2018	100	8,530	8,630
At 31 December 2017	100	8,530	8,630

Shares in group companies relates to a dormant subsidiary.

8. Debtors

	2018 £	2017 £
Trade debtors	1,906,995	1,907,981
Other debtors	126,854	106,868
	2,033,849	2,014,849

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	15,000	15,000
Trade creditors	1,010,388	873,201
Amounts owed to group undertakings and undertakings in which the company has a participating interest	211,680	189,757
Social security and other taxes	145,233	58,219
Other creditors	1,287,071	1,282,583
	2,669,372	2,418,760

The bank loan is secured against fixed assets and a guarantee given by the parent company.

Included in other creditors is £30,062 (2017-£113,956) in respect of hire purchase agreements and finance leases. This amount is secured against the related assets.

Also included in creditors is an amount of £1,180,301 (2017-£1,105,472) due under a debtor finance arrangement. This amount is secured against the trade debtors.

10. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	11,250	26,250
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,093,390	1,198,384
Other creditors	15,481	45,542
	<u>1,120,121</u>	<u>1,270,176</u>

The bank loan is secured against fixed assets and a guarantee given by the parent company.

Included in other creditors is £15,481 (2017-£45,542) in respect of hire purchase agreements and finance leases. This amount is secured against the related assets.

Included within the amount owed to group undertakings are installments totalling £507,055 (2017 - £663,802) which are repayable after more than five years.

11. Operating Leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	947,596	828,322
Later than 1 year and not later than 5 years	1,180,317	1,519,971
	<u>2,127,913</u>	<u>2,348,293</u>

12. Summary Audit Opinion

The auditor's report for the year dated 27 September 2019 was unqualified.

The senior statutory auditor was Robert Anderson , for and on behalf of Streets Audit LLP .

13. Directors' Advances, Credits and Guarantees

During the year the directors entered into the following advances and credits with the company:

	2018		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr K Notman	1,432	(1,432)	—
	<u>-----</u>	<u>-----</u>	<u>----</u>
	2017		
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr K Notman	2,746	(1,314)	1,432
	<u>-----</u>	<u>-----</u>	<u>-----</u>

All advances were interest free and repayable on demand.

14. Controlling Party

The company is controlled by the director Mr K Notman by virtue of his controlling interest in the ultimate parent company. The immediate parent company is Middlegate Europe NV, a company registered in Belgium. The ultimate parent company is Notman Enterprise Limited, a company registered in England at Marfleet Environmental Technology Park, Westgate Way, Hedon Road, Hull. That company prepares consolidated group accounts.

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