

COMPANY REGISTRATION NUMBER: 02515670

MIDDLEGATE (EUROPE) LIMITED
FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2020

MIDDLEGATE (EUROPE) LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2020

		2020		2019	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	6	1,886,854		1,872,117	
Investments	7	100		100	
		<u>1,886,954</u>		<u>1,872,217</u>	
Current Assets					
Stocks		18,093		22,132	
Debtors	8	2,125,226		1,882,389	
Cash at bank and in hand		<u>136,657</u>		<u>127,199</u>	
		2,279,976		2,031,720	
Creditors: amounts falling due within one year	9	<u>(2,457,923)</u>		<u>(2,591,836)</u>	
Net Current Liabilities			(177,947)		(560,116)
Total Assets Less Current Liabilities			<u>1,709,007</u>		<u>1,312,101</u>
Creditors: amounts falling due after more than one year	10		(1,229,429)		(907,365)
Provisions			<u>(73,470)</u>		<u>(59,690)</u>
Net Assets		<u>406,108</u>		<u>345,046</u>	

MIDDLEGATE (EUROPE) LIMITED
STATEMENT OF FINANCIAL POSITION *(continued)*

31 December 2020

	Note	2020 £	£	2019 £	£
Capital and Reserves					
Called up share capital		1,000		1,000	
Profit and loss account		405,108		344,046	
		-----		-----	
Shareholder Funds		406,108		345,046	
		-----		-----	

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 Section 1A of 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.

These financial statements were approved by the board of directors and authorised for issue on 17 September 2021, 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 2020

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 and the position has improved significantly this year. 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. During the year and beyond it the UK has experienced a pandemic of the Coronavirus. The full effects to the company and its future prospects cannot yet be fully quantified but the directors have taken steps to protect the business. This is being regularly reviewed by the directors. In addition they are mindful of the significant ongoing support offered by the UK Government. Accordingly the financial statements have been 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	-	15-25% straight line
Furniture and plant	-	15-25% 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.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met.

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 72 (2019: 89).

5. Tax on Profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	13,425	—
Deferred tax:		
Origination and reversal of timing differences	13,780	19,790
Tax on profit	27,205	19,790

6. Tangible Assets

	Freehold property £	Short leasehold property £	Machinery and equipment £	Furniture and plant £	Total £
Cost					
At 1 January 2020	1,819,503	21,891	248,610	932,004	3,022,008
Additions	—	8,288	108,743	65,722	182,753
Disposals	—	—	—	(287,432)	(287,432)
At 31 December 2020	1,819,503	30,179	357,353	710,294	2,917,329
Depreciation					
At 1 January 2020	238,503	15,391	117,470	778,527	1,149,891
Charge for the year	36,390	4,311	48,429	69,226	158,356
Disposals	—	—	—	(277,772)	(277,772)
At 31 December 2020	274,893	19,702	165,899	569,981	1,030,475
Carrying amount					
At 31 December 2020	1,544,610	10,477	191,454	140,313	1,886,854
At 31 December 2019	1,581,000	6,500	131,140	153,477	1,872,117

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 2020	—	
At 31 December 2019	36,900	
Capital commitments		
	2020	2019
	£	£
Contracted for but not provided for in the financial statements	18,829	60,000

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2020 and 31 December 2020	10,050

Impairment	
At 1 January 2020 and 31 December 2020	9,950

Carrying amount	
At 31 December 2020	100

At 31 December 2019	100

Shares in group companies relates to a dormant subsidiary.

8. Debtors

	2020 £	2019 £
Trade debtors	1,918,241	1,689,295
Amounts owed by group undertakings	9,675	—
Other debtors	197,310	193,094
	-----	-----
	2,125,226	1,882,389
	-----	-----

9. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	17,500	11,250
Trade creditors	867,075	781,160
Amounts owed to group undertakings	513,028	293,541
Corporation tax	13,425	—
Social security and other taxes	49,633	84,503
Other creditors	997,262	1,421,382
	-----	-----
	2,457,923	2,591,836
	-----	-----

Bank borrowing of nil (2019 - £11,250) is secured against fixed assets and a guarantee given by the parent company.

Included in other creditors is nil (2019-£11,378) 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 £874,441 (2019-£1,259,587) due under a debtor finance arrangement. This amount is secured against the trade debtors.

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

	2020	2019
	£	£
Bank loans and overdrafts	132,500	—
Amounts owed to group undertakings	1,096,929	907,365
	<u>1,229,429</u>	<u>907,365</u>

Included within the amount owed to group undertakings are installments totalling £190,166 (2019 - £431,504) 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:

	2020	2019
	£	£
Not later than 1 year	493,365	861,676
Later than 1 year and not later than 5 years	823,487	823,314
	<u>1,316,852</u>	<u>1,684,990</u>

12. Summary Audit Opinion

The auditor's report for the year dated 21 September 2021 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:

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr K Notman	8,000	—	(8,000)	—
Mrs L J Notman	—	423	—	423
	<u>8,000</u>	<u>423</u>	<u>(8,000)</u>	<u>423</u>
	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr K Notman	—	8,000	—	8,000
Mrs L J Notman	—	—	—	—
	<u>—</u>	<u>8,000</u>	<u>—</u>	<u>8,000</u>

The balances are 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.

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.