

# MDI Limited

Annual Report and Unaudited Financial Statements (Filleled)  
for the Year Ended 31 December 2016

Horne Brooke Shenton  
Chartered Accountants  
15 Olympic Court Boardmans Way  
Whitehills Business Park  
Blackpool  
FY4 5GU

# MDI Limited

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# **MDI Limited**

## **Company Information**

<b>Directors</b>	Mr Martin M Dixon Mr DM Ives
<b>Registered office</b>	Unit 4 Wellington Point Amy Johnson Way Blackpool Lancashire FY4 2RG
<b>Accountants</b>	Horne Brooke Shenton Chartered Accountants 15 Olympic Court Boardmans Way Whitehills Business Park Blackpool FY4 5GU

# MDI Limited

## (Registration number: 02791186) Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	<u>4</u>	301,304	296,327
<b>Current assets</b>			
Stocks	<u>5</u>	797,748	909,964
Debtors	<u>6</u>	792,484	603,370
Cash at bank and in hand		<u>1,359,560</u>	<u>1,277,973</u>
		2,949,792	2,791,307
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	<u>(199,596)</u>	<u>(181,501)</u>
<b>Net current assets</b>		<u>2,750,196</u>	<u>2,609,806</u>
<b>Total assets less current liabilities</b>		3,051,500	2,906,133
<b>Provisions for liabilities</b>		<u>(9,746)</u>	<u>(9,263)</u>
<b>Net assets</b>		<u><u>3,041,754</u></u>	<u><u>2,896,870</u></u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		<u>3,041,752</u>	<u>2,896,868</u>
<b>Total equity</b>		<u><u>3,041,754</u></u>	<u><u>2,896,870</u></u>

For the financial year ending 31 December 2016 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 and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A.

The company has taken advantage of exemption from disclosing the profit and loss account and directors report in accordance with the special provisions applicable to companies subject to the small company regime.

Approved and authorised by the Board on 2 August 2017 and signed on its behalf by:

Mr DM Ives

Director

The notes on pages 3 to 8 form an integral part of these financial statements.

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# **MDI Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2016**

### **1 General information**

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Unit 4 Wellington Point

Amy Johnson Way

Blackpool

Lancashire

FY4 2RG

England

These financial statements were authorised for issue by the Board on 2 August 2017.

### **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 small entities - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

This is the first year in which the financial statements have been prepared in accordance with FRS 102 Section 1A. The date of transition is 1st January 2015.

The transition to FRS 102 Section 1A small entities has resulted in a small number of changes to accounting policies to those used previously.

The nature of these changes and their impact on opening equity and profit for the comparative period are explained in note 11.

The company directors have elected to adopt the new small companies thresholds as provided within The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980) for the accounting period commencing 1st January 2016.

#### **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.

The financial statements are presented in Sterling (£) and are rounded to the nearest whole pound.

## **MDI Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of judgements, estimates and assumptions about the carrying values of assets and liabilities that have a significant effect on the amounts recognised in the financial statements are detailed in the accounting policies below and relate to:

Bad debt provisions

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **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.

## MDI Limited

### Notes to the Financial Statements for the Year Ended 31 December 2016

#### Depreciation

Depreciation is charged so as to write off the cost of assets less estimated residual value, over their estimated useful lives, as detailed below.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, If the asset were already at the age and in the condition expected at the end of its useful economic life.

Asset class	Depreciation method and rate
Freehold land and buildings	NIL
Plant and machinery	25% straight line
Office equipment	25% straight line
Furniture and fixtures	15% reducing balance
Motor vehicles	25% reducing balance

The current residual value of freehold property is in excess of the cost and therefore no depreciation is provided within the financial statements.

#### Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date, if there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is higher of its fair value less costs to sell and its value in use.

#### Financial instruments

##### *Recognition and measurement*

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as 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. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### 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 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.



## **MDI Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2016**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average 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.

#### **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.

#### **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.

#### **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 6 (2015 - 6).

# MDI Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016

### 4 Tangible assets

	Freehold Land and buildings £	Furniture and fixtures £	Motor vehicles £	Office Equipment £	Plant & Machinery £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	250,010	48,406	22,000	-	3,084	323,500
Additions	-	14,423	-	560	-	14,983
Disposals	-	-	-	-	(3,084)	(3,084)
At 31 December 2016	250,010	62,829	22,000	560	-	335,399
<b>Depreciation</b>						
At 1 January 2016	-	9,630	14,460	-	3,084	27,174
Charge for the year	-	7,980	1,885	140	-	10,005
Eliminated on disposal	-	-	-	-	(3,084)	(3,084)
At 31 December 2016	-	17,610	16,345	140	-	34,095
<b>Carrying amount</b>						
At 31 December 2016	250,010	45,219	5,655	420	-	301,304
At 31 December 2015	250,010	38,776	7,541	-	-	296,327

Included within the net book value of land and buildings above is £250,010 (2015 - £250,010) in respect of freehold land and buildings.

### 5 Stocks

	2016 £	2015 £
Merchandise	797,748	909,964

### 6 Debtors

	Note	2016 £	2015 £
Trade debtors		456,547	595,100
Prepayments		9,788	8,030

Other debtors		14,747	240
Amounts due from related parties	<u>9</u>	<u>311,402</u>	<u>-</u>
Total current trade and other debtors		<u><u>792,484</u></u>	<u><u>603,370</u></u>

# MDI Limited

## Notes to the Financial Statements for the Year Ended 31 December 2016

### 7 Creditors

	Note	2016 £	2015 £
<b>Due within one year</b>			
Trade creditors		61,565	46,696
Amounts owed to related parties	9	-	2,322
Taxation and social security		131,480	123,459
Other creditors		2,180	4,673
Credit card account		563	341
Accruals		3,808	4,010
		<u>199,596</u>	<u>181,501</u>

### 8 Dividends

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil).

#### Interim dividends paid

	2016 £	2015 £
Interim dividend of £15,660 (2015 - £14,000) per each Ordinary share	31,320	28,000
	<u>31,320</u>	<u>28,000</u>

### 9 Related party transactions

#### Transactions with directors

	Advances to directors £	At 31 December 2016 £
<b>2016</b>		
<b>Mr Martin M Dixon</b>		
Loan Advance - Interest charged at 3% and repayable on demand	302,603	302,603
	<u>302,603</u>	<u>302,603</u>
<b>Mr DM Ives</b>		
Loan Advance - Interest charged at 0% and repayable on demand	8,799	8,799
	<u>8,799</u>	<u>8,799</u>

### 10 Transition to FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31st December 2015 and the date of transition to FRS 102 was therefore 1st January 2015.

The transition has resulted in a small number of changes to accounting policies. These have not impacted on the financial performance or position of the company.

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