

**MIDLAND TYRE SHAVING LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MAY 2020**

**MIDLAND TYRE SHAVING LIMITED**  
**REGISTERED NUMBER: 08073443**

**BALANCE SHEET**  
**AS AT 31 MAY 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	4	10,783	8,325
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	4,576	5,673
Cash at bank		14,785	21,813
		<u>19,361</u>	<u>27,486</u>
Creditors: amounts falling due within one year	6	(2,149)	(10,088)
<b>Net current assets</b>		17,212	17,398
<b>Provisions for liabilities</b>			
Deferred tax	7	(2,014)	(1,582)
<b>Net assets</b>		<u>25,981</u>	<u>24,141</u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account		25,881	24,041
		<u>25,981</u>	<u>24,141</u>

**MIDLAND TYRE SHAVING LIMITED**  
**REGISTERED NUMBER: 08073443**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MAY 2020**

The directors consider 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 Companies Act 2006.

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.

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 by:

.....  
**Mr M D Bailey**

Director

Date: 6 January 2021

The notes on pages 3 to 9 form part of these financial statements.

## **MIDLAND TYRE SHAVING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020**

#### **1. General information**

Midland Tyre Shaving Limited is a private Company, limited by shares, incorporated in England and Wales. The address of the registered office is 3 Morleys Place, Sawston, Cambridge, CB22 3TG. The Company is not part of a group.

#### **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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The Company has been affected by restrictions imposed by the UK Government in response to the COVID-19 pandemic. The result of this is that the Company's premises have closed and the Company has temporarily had to suspend its operations. This has resulted in a significant loss of income for the company and in addition the effect on the Company's customers has meant a reduction in demand for our services and reduced cash inflows. The loss of income and cashflow has been partially offset by the furloughing of the workforce under the government's furlough scheme.

The directors consider that the resources available to the company will be sufficient for it to be able to continue as a going concern during the restrictions and once the restrictions are lifted. However, there is a high level of uncertainty about how long the restrictions will last and the level of demand once the restrictions have ended which could affect this assessment. The financial statements do not contain any adjustments that would be required if the company were not able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020

**2. Accounting policies (continued)**

**2.3 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.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 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 the Statement of Income and Retained Earnings 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 MAY 2020

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 corporation 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**2. Accounting policies (continued)****2.6 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 and machinery	-	20%	reducing balance
Motor vehicles	-	25%	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 the Statement of Income and Retained Earnings.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.8 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.

**2.9 Creditors**

Short term creditors are measured at the transaction price.

**2.10 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 the Statement of Income and Retained Earnings 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.

**MIDLAND TYRE SHAVING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**2. Accounting policies (continued)**

**2.11 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

**2.12 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 2 (2019 - 2).

**4. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 June 2019	839	10,500	11,339
Additions	-	10,979	10,979
Disposals	-	(10,500)	(10,500)
At 31 May 2020	839	10,979	11,818
<b>Depreciation</b>			
At 1 June 2019	225	2,789	3,014
Charge for the year on owned assets	124	2,133	2,257
Disposals	-	(4,236)	(4,236)
At 31 May 2020	349	686	1,035
<b>Net book value</b>			
At 31 May 2020	490	10,293	10,783
At 31 May 2019	614	7,711	8,325



MIDLAND TYRE SHAVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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5. Debtors

	2020 £	2019 £
Trade debtors	2,928	5,371
Other debtors	1,648	302
	<u>4,576</u>	<u>5,673</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	738	690
Corporation tax	-	5,551
Other taxation and social security	-	2,857
Other creditors	120	-
Accruals and deferred income	1,291	990
	<u>2,149</u>	<u>10,088</u>

7. Deferred taxation

	2020 £
At beginning of year	(1,582)
Charged to profit or loss	(432)
<b>At end of year</b>	<u><u>(2,014)</u></u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(2,049)	(1,582)
Tax losses carried forward	35	-
	<u>(2,014)</u>	<u>(1,582)</u>

**MIDLAND TYRE SHAVING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2020**

**8. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**9. Pension commitments**

The Company operates a defined contribution 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 £Nil (2019 - £25,000). No contributions (2019 - £Nil) were payable to the fund at the balance sheet date.

**10. Transactions with directors**

At 1 June 2019, the directors owed the Company £302. During the year they paid expenses on the Company's behalf totalling £53. At 31 May 2020, £249 was owed to the Company. This loan is interest free and was repaid within 9 months of the year end.

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.