

MDLS SOLICITORS LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 MAY 2019

**MDLS SOLICITORS LIMITED**  
**REGISTERED NUMBER: 08599445**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2019**

	<i>Note</i>	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	<u>6,727</u>	<u>3,181</u>
		<b>6,727</b>	<b>3,181</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	244,523	185,821
Cash at bank and in hand		<u>38,725</u>	<u>20,213</u>
		<b>283,248</b>	<b>206,034</b>
Creditors: amounts falling due within one year	6	<u>(175,768)</u>	<u>(161,722)</u>
<b>Net current assets</b>		<u><b>107,480</b></u>	<u><b>44,312</b></u>
<b>Total assets less current liabilities</b>		<u><b>114,207</b></u>	<u><b>47,493</b></u>
Creditors: amounts falling due after more than one year	7	<b>(80,079)</b>	-
<b>Provisions for liabilities</b>			
Deferred tax		<u>(604)</u>	<u>(604)</u>
		<u><b>(604)</b></u>	<u><b>(604)</b></u>
<b>Net assets</b>		<u><u><b>33,524</b></u></u>	<u><u><b>46,889</b></u></u>
<b>Capital and reserves</b>			
Called up share capital		<b>100</b>	100
Profit and loss account		<u><b>33,424</b></u>	<u><b>46,789</b></u>
		<u><u><b>33,524</b></u></u>	<u><u><b>46,889</b></u></u>

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:

**M Dowell**  
Director  
Date: 15 February 2020

## **MDLS SOLICITORS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

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

MDLS Solicitors Limited is a private company, limited by shares, incorporated and domiciled in England. The company is a tax resident in England.

The principal activity of the company is that of the provision of legal services as regulated by the Solicitors Regulation Authority.

MDLS Solicitors Limited operates from its registered office at The Tannery, 91 Kirkstall Road, Leeds, LS3 1HS with company number 08599445.

#### **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 following principal accounting policies have been applied:

##### **2.2 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:

###### **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.

##### **2.3 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **2.4 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.5 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.6 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 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 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 reporting date.

**2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)****2.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	
Computer equipment	-	33% straight line
Law books	-	33% straight line

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.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 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.

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 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 Statement of Financial Position 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 Statement of Financial Position.

**2.13 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 non-puttable ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

**2. Accounting policies (continued)****2.14 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 9 (2018 - 5).

**4. Tangible fixed assets**

	<i>Office equipment</i> £	<i>Computer equipment</i> £	<i>Law books</i> £	<i>Total</i> £
<b>Cost or valuation</b>				
At 1 June 2018	-	4,142	521	4,663
Additions	1,803	4,212	-	6,015
At 31 May 2019	1,803	8,354	521	10,678
<b>Depreciation</b>				
At 1 June 2018	-	1,332	150	1,482
Charge for the year on owned assets	103	2,194	172	2,469
At 31 May 2019	103	3,526	322	3,951
<b>Net book value</b>				
At 31 May 2019	1,700	4,828	199	6,727
At 31 May 2018	-	2,810	371	3,181

**MDLS SOLICITORS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Debtors**

	2019 £	2018 £
Trade debtors	130,301	158,426
Other debtors	70,400	6,879
Prepayments and accrued income	43,822	20,516
	<u>244,523</u>	<u>185,821</u>

**6. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	83,862	9,234
Trade creditors	23,406	17,006
Corporation tax	4	22
Other taxation and social security	34,821	36,069
Obligations under finance lease and hire purchase contracts	-	18,169
Other creditors	2,647	5,701
Accruals and deferred income	31,028	75,521
	<u>175,768</u>	<u>161,722</u>

**7. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	80,079	-
	<u>80,079</u>	<u>-</u>

**8. Pension commitments**

The company operates a defined contributions pension scheme for its employees and directors. 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 £2,647 (2018: £2,104). An amount of £ Nil (2018: £194) relating to outstanding pension contributions was included within other creditors at the year end.

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9. Commitments under operating leases

At 31 May 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £
Not later than 1 year	47,823
Later than 1 year and not later than 5 years	33,611
	<u>81,434</u>

10. Related party transactions

Included within creditors are loans from M Dowell, a director, amounting to £ Nil (2018: £5,507). These loans are interest free and repayable on demand. Included within other debtors due within one year are loans to M Dowell, a director, amounting to £ 32,875 (2018: £ Nil).

Included within other debtors due within one year are loans to I McCann, a director, amounting to £37,615 (2018: £3,879).

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.