

Company Registration No. 03846892 (England and Wales)

**MP HIRE LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**PAGES FOR FILING WITH REGISTRAR**

# **MP HIRE LIMITED**

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# **MP HIRE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO MP HIRE LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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### **Opinion**

We have audited the financial statements of MP Hire Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 11 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **MP HIRE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO MP HIRE LIMITED (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr Keith Edwards (Senior Statutory Auditor)**  
**for and on behalf of James Holyoak & Parker Limited**

26 April 2019

**Chartered Accountants**  
**Statutory Auditor**

1 Knights Court  
Archers Way  
Battlefield Enterprise Park  
Shrewsbury  
SY1 3GA

# MP HIRE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	4	17,108,592	14,637,354
<b>Current assets</b>			
Stocks	6	12,100	12,700
Debtors	5	1,232,292	770,749
Cash at bank and in hand		2,894,036	3,598,269
		4,138,428	4,381,718
<b>Creditors: amounts falling due within one year</b>	7	(4,808,254)	(3,962,327)
<b>Net current (liabilities)/assets</b>		(669,826)	419,391
<b>Total assets less current liabilities</b>		16,438,766	15,056,745
<b>Creditors: amounts falling due after more than one year</b>	8	(9,308,164)	(8,276,700)
<b>Provision for liabilities - deferred taxation</b>		(1,690,000)	(1,480,000)
<b>Net assets</b>		5,440,602	5,300,045
<b>Capital and reserves</b>			
Called up share capital	9	9,000	10,000
Other reserves		194,504	194,504
Capital redemption reserve		1,000	-
Profit and loss reserves		5,236,098	5,095,541
<b>Total equity</b>		5,440,602	5,300,045

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 26 April 2019 and are signed on its behalf by:

Michael Powell  
Director

Bryan Thomas  
Director

Company Registration No. 03846892

# **MP HIRE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **Company information**

MP Hire Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Elms, Newtown, Wem, Shropshire, SY4 5NU.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### **1.3 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Straight line over fifty years
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Tractors and other motor vehicles	15% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.4 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### **1.5 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Classification of financial liabilities**

# MP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

### 1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Full provision is made for deferred tax assets and liabilities arising from timing differences arising from differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

### 1.7 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing the retirement pensions and related benefits is charged to the profit and loss account as the underlying contributions become payable.

### 1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2017 - 5).

## MP HIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	8,400
Adjustments in respect of prior periods	(88)	37
Total current tax	(88)	8,437
<b>Deferred tax</b>		
Origination and reversal of timing differences	210,000	207,000
Changes in tax rates	-	(78,000)
Total deferred tax	210,000	129,000
Total tax charge	209,912	137,437

#### 4 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Tractors and other motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2018	765,000	2,209,818	10,071	14,641,195	17,626,084
Additions	-	770,962	2,720	10,623,127	11,396,809
Disposals	-	(788,277)	-	(7,755,128)	(8,543,405)
At 31 December 2018	765,000	2,192,503	12,791	17,509,194	20,479,488
<b>Depreciation and impairment</b>					
At 1 January 2018	-	1,160,279	9,124	1,784,955	2,954,358
Depreciation charged in the year	15,300	329,961	917	2,166,389	2,512,567
Eliminated in respect of disposals	-	(465,684)	-	(1,630,345)	(2,096,029)
At 31 December 2018	15,300	1,024,556	10,041	2,320,999	3,370,896
<b>Carrying amount</b>					
At 31 December 2018	749,700	1,167,947	2,750	15,188,195	17,108,592
At 31 December 2017	765,000	1,049,538	948	12,821,868	14,637,354

Land and buildings with a carrying amount of £749,700 were revalued at 31 December 2017 by Roger Parry & Partners LLP, independent valuers not connected with the company on the basis of market value. The valuation conformed to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. Their valuation as at 31 December 2017 stood at £765,000. In the opinion of the directors, there will have been no material change in market value since that date.



# MP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018 £	2017 £
Cost	772,926	772,926
Accumulated depreciation	(217,887)	(202,429)
Carrying value	555,039	570,497

Freehold land and buildings with a carrying amount of £749,700 (2017 - £765,000) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 5 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	970,365	505,454
Other debtors	261,927	265,295
	1,232,292	770,749

### 6 Stocks

	2018 £	2017 £
Consumable supplies	12,100	12,700

### 7 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	40,879	227,844
Obligations under finance leases	4,302,177	3,157,024
Trade creditors	433,871	485,631
Corporation tax	-	8,400
Other taxation and social security	1,095	1,287
Other creditors	19,132	73,041
Accruals and deferred income	11,100	9,100
	4,808,254	3,962,327

## MP HIRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 8 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Obligations under finance leases	9,308,164	8,276,700

Obligations under finance leases are secured by fixed charges over the assets concerned. These comprise tractors and other items of plant and machinery held for the purposes of hire to customers under short-term operating leases.

Amounts due to John Deere Financial (the UK branch of John Deere SA) which form the major portion of these obligations are supported by a first charge over the company's freehold premises.

#### 9 Called up share capital

	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
0 A ordinary shares of £1 each	1,500	1,500
0 B ordinary shares of £1 each	7,500	8,500
	9,000	10,000

#### 10 Directors' transactions

During the year the company provided rent- free accommodation to a director of the company.

Dividends totalling £188,625 (2017 - £180,000) were credited to the directors during the period.

On 5 April 2018, the company entered into an arrangement with Michael Powell and Anne Curry together with their respective spouses under which 500 B ordinary shares were purchased and subsequently cancelled at a total cost of £250,000.

On 27 June 2018, the company entered into a second arrangement with Mr Powell and Mrs Curry for the purchase and cancellation of a further 500 B ordinary shares, again at a total cost of £250,000.

#### 11 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements. James Holyoak & Parker Limited also provide assistance with the preparation of management accounts and forecasts.

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.