

**M K CONVERSIONS LIMITED**  
**ANNUAL REPORT AND UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

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# M K CONVERSIONS LIMITED

## BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<a href="#">5</a>	82,158	98,553
<b>Current assets</b>			
Stocks		948,962	663,472
Debtors	<a href="#">6</a>	169,106	306,750
Cash at bank and in hand		236,825	384,751
		1,354,893	1,354,973
<b>Creditors:</b> Amounts falling due within one year	<a href="#">7</a>	(200,981)	(269,092)
<b>Net current assets</b>		1,153,912	1,085,881
<b>Total assets less current liabilities</b>		1,236,070	1,184,434
<b>Creditors:</b> Amounts falling due after more than one year	<a href="#">7</a>	-	(4,822)
<b>Provisions for liabilities</b>		(15,610)	(18,725)
<b>Net assets</b>		1,220,460	1,160,887
<b>Capital and reserves</b>			
Called up share capital		11	11
Capital redemption reserve		2	2
Retained earnings		1,220,447	1,160,874
Shareholders' funds		1,220,460	1,160,887

The notes on pages [3](#) to [8](#) form an integral part of these financial statements.

## **M K CONVERSIONS LIMITED**

### **BALANCE SHEET AS AT 31 AUGUST 2022 (CONTINUED)**

For the financial year ending 31 August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the director has not delivered to the registrar a copy of the Profit and Loss Account.

Company registration number: 04503393

Approved and authorised by the director on 15 December 2022

.....  
Mr S J Ball  
Director

## **1 GENERAL INFORMATION**

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

The address of its registered office is:

Four Lane Ends  
Marthwaite  
Sedbergh  
LA10 5ES

These financial statements were authorised for issue by the director on 15 December 2022.

## **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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022  
(CONTINUED)**

**2 ACCOUNTING POLICIES (continued)**

**Judgements and key sources of estimation uncertainty 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. Actual results may differ from these estimates.

**Revenue recognition**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Interest received or receivable is recognised as it becomes due.

**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 corporation 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 tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

**Tangible assets**

Tangible assets are stated in the balance sheet 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022  
(CONTINUED)**

**2 ACCOUNTING POLICIES (continued)**

**Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	10% reducing balance
Motor vehicles	25% reducing balance

**Leases**

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

**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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022  
(CONTINUED)**

**2 ACCOUNTING POLICIES (continued)**

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

***Recognition and measurement***

Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**3 STAFF NUMBERS**

The average number of persons employed by the company (including the director) during the year, was 10 (2021 - 10).



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022  
(CONTINUED)**

**4 PROFIT BEFORE TAX**

Arrived at after charging/(crediting)

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Depreciation expense	<u>16,202</u>	<u>20,999</u>

**5 TANGIBLE ASSETS**

	<b>Motor vehicles £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 September 2021	170,655	101,927	272,582
Additions	-	444	444
Disposals	<u>(8,500)</u>	<u>-</u>	<u>(8,500)</u>
At 31 August 2022	<u>162,155</u>	<u>102,371</u>	<u>264,526</u>
<b>Depreciation</b>			
At 1 September 2021	121,342	52,686	174,028
Charge for the year	12,169	4,033	16,202
Eliminated on disposal	<u>(7,862)</u>	<u>-</u>	<u>(7,862)</u>
At 31 August 2022	<u>125,649</u>	<u>56,719</u>	<u>182,368</u>
<b>Carrying amount</b>			
At 31 August 2022	<u>36,506</u>	<u>45,652</u>	<u>82,158</u>
At 31 August 2021	<u>49,312</u>	<u>49,241</u>	<u>98,553</u>

## M K CONVERSIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

#### 6 DEBTORS

	2022 £	2021 £
Trade debtors	101,203	236,667
Prepayments	10,380	10,218
Other debtors	57,523	59,865
	<u>169,106</u>	<u>306,750</u>

#### 7 CREDITORS

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

	2022 £	2021 £
<b>Due within one year</b>		
Loans and borrowings	4,822	4,171
Trade creditors	59,489	123,402
Taxation and social security	82,505	94,635
Accruals and deferred income	17,965	18,696
Other creditors	36,200	28,188
	<u>200,981</u>	<u>269,092</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £4,822 (2021 £4,171)

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

	2022 £	2021 £
<b>Due after one year</b>		
Loans and borrowings	-	4,822

Creditors include net obligations under hire purchase contracts which are secured of £0 (2021 - £4,822).