

COMPANY REGISTRATION NUMBER: 09618921

MERSTEN LIMITED

Filleted Unaudited Financial Statements

For the year ended

31 December 2018



MERSTEN LIMITED

Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	32,315	32,362
Current assets			
Stock and WIP		756	3,100
Debtors	6	7,355,299	4,193,136
Cash at bank and in hand		278,048	230,975
		<u>7,634,103</u>	<u>4,427,211</u>
Creditors: amounts falling due within one year	7	2,759,656	3,025,600
Net current assets		<u>4,874,447</u>	<u>1,401,611</u>
Total assets less current liabilities		<u>4,906,762</u>	<u>1,433,973</u>
Creditors: amounts falling due after more than one year	8	2,137,500	—
Provisions		<u>4,575</u>	<u>5,326</u>
Net assets		<u><u>2,764,687</u></u>	<u><u>1,428,647</u></u>
Capital and reserves			
Called-up share capital		100	100
Profit and loss account		<u>2,764,587</u>	<u>1,428,547</u>
Shareholders funds		<u><u>2,764,687</u></u>	<u><u>1,428,647</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2018 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

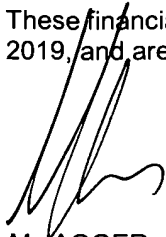
The notes on pages 3 to 6 form part of these financial statements.

MERSTEN LIMITED

Statement of Financial Position *(continued)*

31 December 2018

These financial statements were approved by the board of directors and authorised for issue on 14 May 2019, and are signed on behalf of the board by:



M JAGGER
Director

Company registration number: 09618921

The notes on pages 3 to 6 form part of these financial statements.

MERSTEN LIMITED

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 73a London Road, Alderley Edge, Cheshire, SK9 7DY.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements 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.

Revenue recognition

Turnover represents the gross proceeds of the sale of shares in special purpose companies set up to acquire properties prior to sale of such special purpose companies.

Gross value of sales is the gross value of the underlying properties sold through the sale of the special purpose companies and by those companies.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

MERSTEN LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	- 15% straight line
Fixtures and fittings	- 20% straight line
Equipment	- 33% straight line

Stocks

Stocks are measured at the lower of cost or net realisable value.

Financial instruments

The company enters only 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/from related parties and investments in non-puttable ordinary shares.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 23 (2017: 22).

MERSTEN LIMITED

Notes to the Financial Statements (continued)

Year ended 31 December 2018

5. Tangible assets

	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2018	10,500	7,980	34,821	53,301
Additions	–	2,440	12,783	15,223
At 31 December 2018	<u>10,500</u>	<u>10,420</u>	<u>47,604</u>	<u>68,524</u>
Depreciation				
At 1 January 2018	3,938	2,065	14,936	20,939
Charge for the year	1,575	1,718	11,977	15,270
At 31 December 2018	<u>5,513</u>	<u>3,783</u>	<u>26,913</u>	<u>36,209</u>
Carrying amount				
At 31 December 2018	<u>4,987</u>	<u>6,637</u>	<u>20,691</u>	<u>32,315</u>
At 31 December 2017	<u>6,562</u>	<u>5,915</u>	<u>19,885</u>	<u>32,362</u>

6. Debtors

	2018 £	2017 £
Trade debtors	10,733	–
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,886,904	1,833,537
Other debtors	1,457,662	2,359,599
	<u>7,355,299</u>	<u>4,193,136</u>

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	1,872,631	650,000
Trade creditors	554,679	125,779
Amounts owed to related undertakings	–	1,097,561
Corporation tax	132,114	297,063
Social security and other taxes	54,473	21,380
Other creditors	145,759	833,817
	<u>2,759,656</u>	<u>3,025,600</u>

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

	2018 £	2017 £
Other loans	<u>2,137,500</u>	<u>–</u>

MERSTEN LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

9. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions	<u>4,575</u>	<u>5,326</u>

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	<u>12,500</u>	<u>12,500</u>

11. Related party transactions

During the year the company operated a loan account with its parent company Mersten (Holdings) Limited. At the year end the balance due to Mersten Limited was £271,864 (2017: £100,804) this is included within other debtors. The loan is unsecured, and repayable on demand.

The company owns a number of specified purpose companies which have been set up to acquire and hold individual properties with the intention that the special purpose companies will be sold as part of the companies trade.

The company also makes loans to/(from) such companies and the outstanding loan balance at 31 December 2018 was £5,886,904 (2017: £735,976) owing from these companies.