

MERIT PROFESSIONAL SERVICES LIMITED

Amended audited filleted financial statements

31 August 2021

Company registration number 11626421

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MERIT PROFESSIONAL SERVICES LIMITED

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MERIT PROFESSIONAL SERVICES LIMITED

Directors responsibilities statement

Year ended 31 August 2021

The directors are responsible for preparing the directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERIT PROFESSIONAL SERVICES LIMITED

Statement of financial position
31 August 2021

	Note	<u>2021</u>		<u>2020</u>	
		£	£	£	£
Fixed assets					
Tangible assets	6	<u>1,141</u>		<u>521</u>	
			1,141		521
Current assets					
Stocks		63,255		17,160	
Debtors	7	127,988		22,572	
Cash at bank and in hand		<u>8,964</u>		<u>16,481</u>	
		200,207		56,213	
Creditors: amounts falling due within one year	8	<u>(192,645)</u>		<u>(24,370)</u>	
Net current assets			7,562		31,843
Total assets less current liabilities			<u>8,703</u>		<u>32,364</u>
Creditors: amounts falling due after more than one year	9		(60,000)		(76,000)
Provisions for liabilities			(217)		-
Net liabilities			<u>(51,514)</u>		<u>(43,636)</u>
Capital and reserves					
Called up share capital			200		200
Profit and loss account			<u>(51,714)</u>		<u>(43,836)</u>
Shareholders deficit			<u>(51,514)</u>		<u>(43,636)</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 Section 1A of 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.

The notes on pages 4 to 9 form part of these financial statements.

MERIT PROFESSIONAL SERVICES LIMITED

Statement of financial position (continued)

31 August 2021

These financial statements were approved by the board of directors and authorised for issue on 30th May 2023 and are signed on behalf of the board by;



Mr Richard Ashford
Director

Company registration number: 11626421

The notes on pages 4 to 9 form part of these financial statements.

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements **Year ended 31 August 2021**

1. General information

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Units 1-4 Merit House, Whitewall Road, Medway City Estate, Rochester, Kent, ME2 4WS.

2. Statement of compliance

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

Going concern

These accounts have been prepared on the going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

Year ended 31 August 2021

Taxation

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

Tangible assets

Tangible assets are initially recorded at cost, and are 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 capital and reserves, 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 capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves 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:

Fittings fixtures and equipment	- 20%	reducing balance
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

Year ended 31 August 2021

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

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 and loans to related parties.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

Year ended 31 August 2021

Borrowing costs

All costs are recognised in the profit and loss account in the year in which they are incurred.

Debtors

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

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured at fair value, net of transaction costs.

4. Judgements and key sources of estimation uncertainty

In the course of preparing the financial statement, no material judgements have been made in the process of applying the Company's accounting policies, other than involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 3 (2020: 5).

6. Tangible assets

	<u>Fixtures, fittings and equipment</u>	<u>Total</u>
	£	£
Cost		
At 1 September 2020	613	613
Additions	887	887
At 31 August 2021	1,500	1,500
Depreciation		
At 1 September 2020	92	92
Charge for the year	267	267
At 31 August 2021	359	359
Carrying amount		
At 31 August 2021	1,141	1,141
At 31 August 2020	521	521

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

Year ended 31 August 2021

7. Debtors

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Trade debtors	122,648	13,161
Other debtors	5,340	9,411
	<u>127,988</u>	<u>22,572</u>

8. Creditors: amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	16,057	4,057
Trade creditors	44,996	11,756
Amounts owed to group undertakings and undertakings in which the company has a participating interest	20,727	969
Accruals and deferred income	89,234	1,800
Corporation tax	2,439	4,105
Social security and other taxes	18,347	1,107
Other creditors	845	576
	<u>192,645</u>	<u>24,370</u>

The bank loan is secured via a fixed and floating charge held by the Bank over the Companies assets.

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

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	60,000	76,000

The bank loan is secured via a fixed and floating charge held by the Bank over the Companies assets.

This Coronavirus Business Interruption loan' final repayment is due May 2026. Interest is payable at 3.25% p.a above base rate, commencing in June 2021. The first 12 months of this loan were interest free.

MERIT PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

Year ended 31 August 2021

10. Related party transactions

During the year the company entered into the following transactions with related parties:

	<u>Transaction value</u>		<u>Balance owed by/(owed)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Loans from Group Companies	-	(969)	(20,727)	(969)

The directors of this Company and its parent Company, Merit Group Holdings Limited, have controlling interests in the Companies involved in the aforementioned loans. These loans have been made interest free, are unsecured and have no fixed repayment schedules.

11. Controlling party

During the period under review, the company was under the ultimate control of its parent company, Merit Group Holdings Limited. Their registered office is Merit House, Units 1-4 Whitewall Road, Medway City Estate, Rochester, Kent, ME2 4WS.

12. Going concern

As at 31 August 2021 the balance sheet shows an insolvent position. These accounts have been prepared on the going concern basis as the directors, through the support of Group companies, have agreed to continue to support the Company to ensure it is able to meet its debts as they fall due.

13. Summary audit opinion

The auditor's report for the year dated 30 May 2023 was unqualified.

The senior statutory auditor was Mark Attwood FCCA, for and on behalf of Kreston Reeves LLP.