

Unaudited Financial Statements for the Year Ended 31 March 2022

for

Merinwell Limited

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for the Year Ended 31 March 2022

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Merinwell Limited

Company Information
for the Year Ended 31 March 2022

DIRECTORS:

Mrs S L Chandler
Mrs T M Powell

REGISTERED OFFICE:

c/o Forty-Two Consulting Ltd,
Regus House, Atterbury Lakes,
Fairbourne Driv, Atterbury,
Milton Keynes,
Buckinghamshire
MK10 9RG

REGISTERED NUMBER:

00587844 (England and Wales)

ACCOUNTANTS:

Forty-two Consulting Ltd
Regus House Atterbury Lakes
Fairbourne Drive
Atterbury
Milton Keynes
Buckinghamshire
MK10 9RG

Balance Sheet
31 March 2022

	Notes	31.3.22 £	£	31.3.21 £	£
FIXED ASSETS					
Tangible assets	4		-		1,478,754
CURRENT ASSETS					
Stocks	5	14,527,529		18,170,270	
Debtors	6	1,398,017		2,186,507	
Cash at bank		<u>1,702,256</u>		<u>11,508,136</u>	
		17,627,802		31,864,913	
CREDITORS					
Amounts falling due within one year	7	<u>2,031,796</u>		<u>1,088,994</u>	
NET CURRENT ASSETS			<u>15,596,006</u>		<u>30,775,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,596,006		32,254,673
PROVISIONS FOR LIABILITIES			-		235,475
NET ASSETS			<u>15,596,006</u>		<u>32,019,198</u>
CAPITAL AND RESERVES					
Called up share capital			100,000		100,000
Revaluation reserve	8		-		1,361,812
Retained earnings			<u>15,496,006</u>		<u>30,557,386</u>
			<u>15,596,006</u>		<u>32,019,198</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 November 2022 and were signed on its behalf by:

Mrs S L Chandler - Director

Mrs T M Powell - Director

Notes to the Financial Statements
for the Year Ended 31 March 2022

1. **STATUTORY INFORMATION**

Merinwell Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

Land and buildings are carried at fair value at the date of the revaluation less accumulated depreciation and accumulated impairment losses. Revaluations are carried with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers and assessed by the directors.

Revaluation gains and losses are recognised in the statement of comprehensive income and accumulated in equity unless losses exceed the previously recognised gains, in which case the excess losses are recognised in the profit or loss account for the period.

Deferred tax is provided on the unrealised gains at the rate expected to be applied when the property is sold.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs comprises properties and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in the profit or loss.

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and subsequently carried at amortised costs using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price and subsequently measured at amortised costs using the effective interest method.

Equity instruments

Equity instruments issued by the company are recognised at the proceeds received, net of transactions costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to the fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedged relationship

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2. ACCOUNTING POLICIES - continued

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 rate that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for in respect of all timing differences that have originated but not reversed at the year end and deferred tax assets are recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the the timing difference, arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. Deferred tax on property, plant and equipment is recognised in other comprehensive income.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will available to allow all of part of the asset to be recovered. Deferred tax calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to off set current tax assets and liabilities and deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unity) in prior years. A reversal of an impairment loss is recognised immediately in the the profit ot loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2021 - NIL).

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

4. **TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2021	1,500,000	10,708	1,510,708
Disposals	(1,500,000)	(10,708)	(1,510,708)
At 31 March 2022	-	-	-
DEPRECIATION			
At 1 April 2021	24,000	7,954	31,954
Charge for year	11,572	133	11,705
Eliminated on disposal	(35,572)	(8,087)	(43,659)
At 31 March 2022	-	-	-
NET BOOK VALUE			
At 31 March 2022	-	-	-
At 31 March 2021	1,476,000	2,754	1,478,754

A desktop valuation was undertaken on 23 Highbury Crescent in May 2020 by Union Street Partners. The valuation report valued the property with a market value of £1,500,000.

Land and buildings were historically carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £nil (2021 - £114,189), being cost £nil (2021- £277,614) less accumulated depreciation £nil (2021- £163,425).

5. **STOCKS**

	31.3.22 £	31.3.21 £
Finished goods	14,527,529	18,170,270

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.22 £	31.3.21 £
Trade debtors	157,180	-
Amounts owed by group undertakings	349,010	1,122,540
Other debtors	891,827	1,063,967
	1,398,017	2,186,507

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.22	31.3.21
	£	£
Trade creditors	122,856	-
Taxation and social security	835,516	-
Other creditors	<u>1,073,424</u>	<u>1,088,994</u>
	<u><u>2,031,796</u></u>	<u><u>1,088,994</u></u>

8. **RESERVES**

Revaluation reserve

	2022	2021
£	£	
At beginning of year	1,361,812	1,929,575
Revaluation surplus/(deficit) arising in the year	-	-
Transfer to retained earnings	<u>(1,361,812)</u>	<u>(567,763)</u>
At year end	<u><u>-</u></u>	<u><u>1,361,812</u></u>

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.