

Mersey Can Limited

Registered number: 02677790

Information for filing with the Registrar

For the year ended 31 December 2020



MERSEY CAN LIMITED
REGISTERED NUMBER: 02677790

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	408,033	417,889
		<u>408,033</u>	<u>417,889</u>
Current assets			
Stocks	7	948,169	739,235
Debtors: amounts falling due within one year	8	352,863	317,693
Cash at bank and in hand		316,176	1,358,191
		<u>1,617,208</u>	<u>2,415,119</u>
Creditors: amounts falling due within one year	9	(345,209)	(784,704)
Net current assets		<u>1,271,999</u>	<u>1,630,415</u>
Total assets less current liabilities		<u>1,680,032</u>	<u>2,048,304</u>
Creditors: amounts falling due after more than one year	10	(450,000)	(550,000)
Provisions for liabilities			
Deferred taxation	11	(11,530)	(11,506)
		<u>(11,530)</u>	<u>(11,506)</u>
Net assets		<u><u>1,218,502</u></u>	<u><u>1,486,798</u></u>
Capital and reserves			
Called up share capital	12	50,000	50,000
Profit and loss account	13	1,168,502	1,436,798
		<u><u>1,218,502</u></u>	<u><u>1,486,798</u></u>

MERSEY CAN LIMITED
REGISTERED NUMBER: 02677790

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

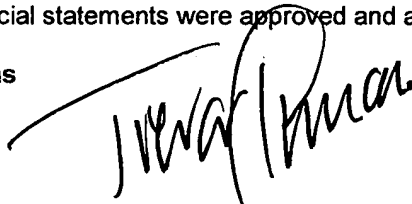
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

T J Lomas
Director

Date:



24 September 2021

The notes on pages 3 to 10 form part of these financial statements.

MERSEY CAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Mersey Can Limited ("the company") is a private limited company incorporated in the United Kingdom, and registered in England and Wales. The company is limited by shares, registered number 02677790.

The address of the registered office and principal place of business is Ebenezer Street, Rock Ferry Industrial Estate, Birkenhead, Merseyside, CH42 1NH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

These financial statements have been presented in pound sterling which is the functional currency of the company, and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The Company made a loss in the year due to the impact of COVID-19. However, the Company holds a secure and stable position in its trading market and has sufficient funds in reserve so as to not cast doubt over its ability to continue as a going concern for the foreseeable future and for a period of at least twelve months from the date of approval of these financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income

Rental income is recognised in the Statement of Comprehensive Income on an accruals basis.

MERSEY CAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as noted below.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Plant & machinery	-	10% reducing balance
Motor vehicles	-	15% reducing balance
Fixtures & fittings	-	15% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, the actual results and outcomes may differ.

The director does not believe there have been any significant judgements or key sources of estimation uncertainty when preparing the company's financial statements in the current or prior year.

4. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £7,350 (2019 - 7,350). Fees for other services were £2,950 (2019 - £2,900).

5. Employees

The average monthly number of employees, including directors, during the year was 13 (2019 - 13).

MERSEY CAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2020	437,711	431,898	24,814	35,371	929,794
Additions	-	-	-	2,166	2,166
At 31 December 2020	437,711	431,898	24,814	37,537	931,960
Depreciation					
At 1 January 2020	87,539	375,155	17,981	31,230	511,905
Charge for the year on owned assets	4,378	5,673	1,025	946	12,022
At 31 December 2020	91,917	380,828	19,006	32,176	523,927
Net book value					
At 31 December 2020	345,794	51,070	5,808	5,361	408,033
At 31 December 2019	350,172	56,743	6,833	4,141	417,889

7. Stocks

	2020 £	2019 £
Raw materials and consumables	856,299	638,433
Work in progress (goods to be sold)	57,429	55,549
Finished goods and goods for resale	34,441	45,253
	948,169	739,235

MERSEY CAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Debtors

	2020	2019
	£	£
Trade debtors	282,487	301,926
Other debtors	69,508	9,000
Prepayments and accrued income	868	6,767
	<u>352,863</u>	<u>317,693</u>

9. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	31,219	479,090
Corporation tax	-	7,887
Other taxation and social security	41,085	43,949
Other creditors	272,905	253,778
	<u>345,209</u>	<u>784,704</u>

10. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Debentures loans	<u>450,000</u>	<u>550,000</u>

The debenture loan is secured by a fixed and floating charge over the assets of the company and interest has been charged on the loan in the year at an overall rate of 5.25%.

MERSEY CAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Deferred taxation

	2020 £	2019 £
At beginning of year	(11,506)	(13,092)
Charged to profit or loss	(24)	1,586
At end of year	<u>(11,530)</u>	<u>(11,506)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	<u>11,530</u>	<u>11,506</u>

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

13. Reserves**Profit & loss account**

This reserve represents cumulative profits and losses less any dividends declared.

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £953 (2019: £834). Contributions totalling £1,554 (2019: £97) were payable to the fund at the Statement of Financial Position date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Related party transactions

The balance of the debenture loan reduced to £450,000 (2019: £550,000) after a payment from the company in the year. The balance is loaned by director, T Lomas. Interest on this balance was charged at 5.25% during 2020.

In addition at 31 December 2020 the Company owed director T Lomas £27,669 (2019: £41,975). The balance is included within other creditors due in less than one year. The loan is unsecured, interest free and repayable on demand.

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 102.

16. Controlling party

The company was under the control of Mr T Lomas throughout the current and prior year by virtue of his 100% shareholding.

17. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 28 September 2021 by Neil Barton (Senior Statutory Auditor) on behalf of Mazars LLP.