

# Merkko Builders Merchants (Oxford) Ltd

Annual Report and Unaudited Abridged Financial Statements  
for the Year Ended 30 September 2017

MI Accountancy Solutions Limited  
Gamer Street Business Park  
Etruria  
Stoke on Trent  
Staffordshire  
ST4 7BH

# **Merkko Builders Merchants (Oxford) Ltd**

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# **Merkko Builders Merchants (Oxford) Ltd**

## **Company Information**

**Director** I Duckitt

**Registered office** Unit S12-S12a  
Kingston Business Park  
Kingston Bagpuize  
Abingdon  
Oxfordshire  
OX13 5AS

**Accountants** MI Accountancy Solutions Limited  
Garner Street Business Park  
Etruria  
Stoke on Trent  
Staffordshire  
ST4 7BH

# **Merkko Builders Merchants (Oxford) Ltd**

## **Director's Report for the Year Ended 30 September 2017**

The director presents his report and the abridged financial statements for the year ended 30 September 2017.

### **Director of the company**

The director who held office during the year was as follows:

I Duckitt

### **Principal activity**

The principal activity of the company is sale of timber and building materials.

### **Small companies provision statement**

This report has 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.

Approved by the director on 22 May 2018 and signed on its behalf by:

.....  
I Duckitt

Director

**Chartered Accountants' Report to the Director on the Preparation of the Unaudited Statutory  
Accounts of  
Merkko Builders Merchants (Oxford) Ltd  
for the Year Ended 30 September 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Merkko Builders Merchants (Oxford) Ltd for the year ended 30 September 2017 as set out on pages 4 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Merkko Builders Merchants (Oxford) Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Merkko Builders Merchants (Oxford) Ltd and state those matters that we have agreed to state to the Board of Directors of Merkko Builders Merchants (Oxford) Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Merkko Builders Merchants (Oxford) Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Merkko Builders Merchants (Oxford) Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Merkko Builders Merchants (Oxford) Ltd. You consider that Merkko Builders Merchants (Oxford) Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Merkko Builders Merchants (Oxford) Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....  
MI Accountancy Solutions Limited  
Garner Street Business Park  
Etruria  
Stoke on Trent  
Staffordshire  
ST4 7BH

22 May 2018

# Merkko Builders Merchants (Oxford) Ltd

(Registration number: 05772944)

## Abridged Balance Sheet as at 30 September 2017

	Note	2017 £	2016 £
Tangible assets	<u>3</u>	215,333	141,910
Other financial assets	<u>4</u>	100	100
		<u>215,433</u>	<u>142,010</u>
<b>Current assets</b>			
Stocks	<u>5</u>	366,711	368,544
Debtors		1,455,719	1,199,812
Cash at bank and in hand		38,159	73,847
		1,860,589	1,642,203
<b>Prepayments and accrued income</b>		45,349	45,262
<b>Creditors: Amounts falling due within one year</b>		<u>(1,301,389)</u>	<u>(1,268,511)</u>
<b>Net current assets</b>		<u>604,549</u>	<u>418,954</u>
<b>Total assets less current liabilities</b>		819,982	560,964
<b>Creditors: Amounts falling due after more than one year</b>		(164,095)	(56,434)
<b>Provisions for liabilities</b>		(31,614)	(17,672)
<b>Accruals and deferred income</b>		<u>1,426</u>	<u>(3,677)</u>
<b>Net assets</b>		<u><u>625,699</u></u>	<u><u>483,181</u></u>
<b>Capital and reserves</b>			
Called up share capital	<u>6</u>	167	167
Share premium reserve		59,934	59,934
Profit and loss account		<u>565,598</u>	<u>423,080</u>
<b>Total equity</b>		<u><u>625,699</u></u>	<u><u>483,181</u></u>

For the financial year ending 30 September 2017 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 and the option not to file the Profit and Loss Account has been taken.

The notes on pages 6 to 11 form an integral part of these abridged financial statements.

**Merkko Builders Merchants (Oxford) Ltd**

**(Registration number: 05772944)**

**Abridged Balance Sheet as at 30 September 2017**

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Approved and authorised by the director on 22 May 2018

.....

I Duckitt

Director

The notes on pages 6 to 11 form an integral part of these abridged financial statements.

# **Merkko Builders Merchants (Oxford) Ltd**

## **Notes to the Abridged Financial Statements for the Year Ended 30 September 2017**

### **1 General information**

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

The address of its registered office is:

Unit S12-S12a  
Kingston Business Park  
Kingston Bagpuize  
Abingdon  
Oxfordshire  
OX13 5AS

These financial statements were authorised for issue by the director on 22 May 2018.

### **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 abridged financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Basis of preparation**

These abridged 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.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises 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.

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.



## **Merkko Builders Merchants (Oxford) Ltd**

### **Notes to the Abridged Financial Statements for the Year Ended 30 September 2017**

#### **Tangible assets**

Tangible assets are stated in the statement of financial position 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.

#### **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>
Leasehold improvements	5-10 years straight line method
Plant & machinery	20% straight line
Fixtures, fittings and equipment	3-10 years straight line
Motor Vehicles	20% straight line

#### **Negative goodwill**

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

## **Merkko Builders Merchants (Oxford) Ltd**

### **Notes to the Abridged Financial Statements for the Year Ended 30 September 2017**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. 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.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **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.

## Merkko Builders Merchants (Oxford) Ltd

### Notes to the Abridged Financial Statements for the Year Ended 30 September 2017

#### 3 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other tangible assets £
<b>Cost or valuation</b>				
At 1 October 2016	85,840	51,193	227,916	12,114
Additions	14,069	-	133,939	-
Disposals	-	-	(18,995)	-
At 30 September 2017	99,909	51,193	342,860	12,114
<b>Depreciation</b>				
At 1 October 2016	51,378	49,035	122,746	11,994
Charge for the year	10,829	1,190	56,114	120
Eliminated on disposal	-	-	(12,663)	-
At 30 September 2017	62,207	50,225	166,197	12,114
<b>Carrying amount</b>				
At 30 September 2017	37,702	968	176,663	-
At 30 September 2016	34,462	2,158	105,170	120
				<b>Total £</b>
<b>Cost or valuation</b>				
At 1 October 2016				377,063
Additions				148,008
Disposals				(18,995)
At 30 September 2017				506,076
<b>Depreciation</b>				
At 1 October 2016				235,153
Charge for the year				68,253
Eliminated on disposal				(12,663)
At 30 September 2017				290,743
<b>Carrying amount</b>				
At 30 September 2017				215,333
At 30 September 2016				141,910

Included within the net book value of land and buildings above is £37,703 (2016 - £34,462) in respect of short leasehold land and buildings.



# Merkko Builders Merchants (Oxford) Ltd

## Notes to the Abridged Financial Statements for the Year Ended 30 September 2017

### 4 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 October 2016	100	100
At 30 September 2017	100	100
<b>Impairment</b>		
<b>Carrying amount</b>		
At 30 September 2017	100	100

### 5 Stocks

	2017 £	2016 £
Other inventories	366,711	368,544

### 6 Share capital

#### Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	166	166	166	166
Preferred Ordinary of £1 each	1	1	1	1
	167	167	167	167

### 7 Related party transactions

#### Summary of transactions with parent

The company has a balance due from Merkko Group Limited of £11,253 (2016: £11,253).

#### Summary of transactions with entities with joint control or significant interest

## **Merkko Builders Merchants (Oxford) Ltd**

### **Notes to the Abridged Financial Statements for the Year Ended 30 September 2017**

Merkko Builders Merchants (Reading) Limited is a company under the common control of Merkko Group Limited.

During the year the company made sales of £293,880 (2016: £338,640) and purchases were made to the value of £43,662 (2016: £52,110). In addition the company made and received working capital loads, the net of these transactions was a receipt of £97,112 (2016: £26,446). At the balance sheet that the company is due £615,209 (2016: £462,103) from Merkko Builders Merchants (Reading) Limited.

Merkko LED Lighting Limited is a company under the common control of Merkko Group Limited.

During the year the company made sales of £20,666 (2016: £86) and purchases were made to the value of £236 (2016: £1,326). In addition the company made and received working capital loads, the net of these transactions was a loan of £54,405 (2016: £75,982). At the balance sheet that the company is due £189,925 (2016: £115,091) from Merkko LED Lighting Limited.

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.