

COMPANY REGISTRATION NUMBER 2740216

IDOM MEREBROOK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PAGES FOR FILING WITH REGISTRAR



IDOM MEREBROOK LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 11

IDOM MEREBROOK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		139,336		155,337
Current assets					
Debtors	4	1,902,563		1,428,867	
Cash at bank and in hand		167,797		51,267	
		<u>2,070,360</u>		<u>1,480,134</u>	
Creditors: amounts falling due within one year	5	<u>(2,535,737)</u>		<u>(2,484,928)</u>	
Net current liabilities			(465,377)		(1,004,794)
Total assets less current liabilities			<u>(326,041)</u>		<u>(849,457)</u>
Creditors: amounts falling due after more than one year	6		-		(27,622)
Net liabilities			<u>(326,041)</u>		<u>(877,079)</u>
Capital and reserves					
Called up share capital	7		125,000		250,000
Capital redemption reserve			56		56
Profit and loss reserves			<u>(451,097)</u>		<u>(1,127,135)</u>
Total equity			<u>(326,041)</u>		<u>(877,079)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

IDOM MEREBROOK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 8 May 2019 and are signed on its behalf by:

Mr R R Llorente
Director

Company Registration No. 2740216

IDOM MEREBROOK LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2017		250,000	56	(238,292)	11,764
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(888,843)	(888,843)
Balance at 31 December 2017		250,000	56	(1,127,135)	(877,079)
Year ended 31 December 2018:					
Loss and total comprehensive income for the year		-	-	(650,326)	(650,326)
Issue of share capital	7	1,201,364	-	-	1,201,364
Reduction of shares	7	(1,326,364)	-	-	(1,326,364)
Transfers		-	-	1,326,364	1,326,364
Balance at 31 December 2018		125,000	56	(451,097)	(326,041)

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

IDOM Merebrook Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cromford Mills, Mill Lane, Cromford, Derbyshire, DE4 3RQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year the company incurred a loss of £650,326 (2017 - £888,843). The directors have prepared forecasts for the year and have also received a letter of financial support from its parent company, IDOM S.A. Taking these factors into account, the directors are satisfied the company can meet its debts as they fall due. Accordingly the accounts have been prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

The comparative for 2017 has been amended because previously sales to other companies within the group were shown within other operating income. In the directors' opinion it is more appropriate to show these sales within turnover and so they have been reclassified.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	Straight line over 92 years
Plant and machinery	25% straight line and 25% reducing balance
Fixtures, fittings & equipment	50%, 25% and 15% straight line and 15% and 15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 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 any 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 asset 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 or 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 unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or 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.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 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 are subsequently carried at amortised cost 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 assets of the company after deducting all of its liabilities.

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 of the future payments discounted at a market rate of interest. Financial liabilities classified as payable 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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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 be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in 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 offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 71 (2017 - 80).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	43,000	446,705	489,705
Additions	-	37,304	37,304
Disposals	-	(166,425)	(166,425)
At 31 December 2018	43,000	317,584	360,584
Depreciation and impairment			
At 1 January 2018	2,936	331,431	334,367
Depreciation charged in the year	468	39,055	39,523
Eliminated in respect of disposals	-	(152,642)	(152,642)
At 31 December 2018	3,404	217,844	221,248
Carrying amount			
At 31 December 2018	39,596	99,740	139,336
At 31 December 2017	40,064	115,273	155,337

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	1,285,915	1,144,709
Amounts owed by group undertakings	399,998	102,525
Other debtors	200,883	181,633
	<u>1,886,796</u>	<u>1,428,867</u>
Amounts falling due after more than one year:		
Other debtors	<u>15,767</u>	<u>-</u>
Total debtors	<u>1,902,563</u>	<u>1,428,867</u>

5 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	1,315,591	965,565
Trade creditors	327,583	330,017
Amounts due to group undertakings	519,912	750,316
Other taxation and social security	223,149	249,282
Other creditors	149,502	189,748
	<u>2,535,737</u>	<u>2,484,928</u>

Bank borrowings are secured by a debenture over the assets of the company.

Other creditors include net obligations under finance lease and hire purchase contracts of £2,361 (2017 - £19,758) which are secured by fixed charges on the assets concerned.

6 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	<u>-</u>	<u>27,622</u>

Bank borrowings are secured by a debenture over the assets of the company.

IDOM MEREBROOK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
12,500,000 Ordinary shares of 1p each	125,000	250,000
	<u>125,000</u>	<u>250,000</u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Andrew Hulse.

The auditor was UHY Hacker Young.

9 Financial commitments, guarantees and contingent liabilities

The company completed works in 2015 on a large residential housing project where subsequently the customer has identified weaknesses in the groundworks (an area in which the company alongside others, was engaged). From initial correspondence, the directors believe that there is a likelihood that the customer will instigate proceedings against the parties involved. To date there has been no formal notification of a claim presented to the company. Should a claim be presented, the directors will defend their position. However, as is normal, insurance is in place against such claims and the directors have no reason to believe they will not be covered in the event that their defence is not successful. As no notification has been received, it is not possible to quantify the financial impact. No provision has been made in the financial statements in respect of this matter.

10 Operating lease commitments

Lessee

At 31 December 2018 the company was committed to making payments totalling £793,517 (2017 - £627,578) under non-cancellable operating leases.

11 Parent company

The company is part of a group headed by IDOM S.A. which draws up consolidated financial statements. The registered office of IDOM S.A. is Avda. Zarandoa 23, Bizkaia - 48015, Bilbao, Spain.