

Company registration number 03173568

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MAY 2016

MERCANTA LIMITED



MENZIES
BRIGHTER THINKING

INDEPENDENT AUDITORS' REPORT TO MERCANTA LIMITED

We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of Mercanta Limited for the year ended 31 May 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.


Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion on financial statements

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with the regulations made under that section.



Janice Matthews FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

Centrum House
36 Station Road
Egham
Surrey

TW20 9LF


Date: 16 December 2016

MERCANTA LIMITED
REGISTERED NUMBER: 03173568

ABBREVIATED BALANCE SHEET
AS AT 31 MAY 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	2		586,951		604,801
Investments	3		2		2
			<u>586,953</u>		<u>604,803</u>
Current assets					
Stocks		1,369,166		1,384,548	
Debtors		1,813,036		1,481,231	
Cash at bank		756,709		763,310	
		<u>3,938,911</u>		<u>3,629,089</u>	
Creditors: amounts falling due within one year		<u>(1,641,237)</u>		<u>(1,436,161)</u>	
Net current assets			<u>2,297,674</u>		<u>2,192,928</u>
Total assets less current liabilities			<u>2,884,627</u>		<u>2,797,731</u>
Creditors: amounts falling due after more than one year	4		<u>(233,886)</u>		<u>(268,580)</u>
Net assets			<u>2,650,741</u>		<u>2,529,151</u>
Capital and reserves					
Called up share capital	5		112,345		112,345
Share premium account			128,111		128,111
Capital redemption reserve			18,231		18,231
Profit and loss account			<u>2,392,054</u>		<u>2,270,464</u>
Shareholders' funds			<u>2,650,741</u>		<u>2,529,151</u>

The abbreviated accounts, which 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, were approved and authorised for issue by the board and were signed on its behalf on 15/12/16.


S L Hurst
 Director

The notes on pages 3 to 7 form part of these financial statements.

MERCANTA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods despatched and services provided during the year in the normal course of business, net of trade discounts, VAT and other sales related taxes.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Leasehold property	-	10% straight line
Motor vehicles	-	33.33% straight line
Furniture and equipment	-	10% straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Stocks

Stock is stated at the lower of cost and net realisable value. In the case of raw materials and consumable stores, cost means purchase price calculated on a first in, first out basis; plus all costs to be incurred in marketing, selling and distribution. For stock which remains unsold at the date of approval of the financial statements, net realisable value means the estimated selling price, determined by reference to the offer or traded price of equal or similar coffee stocks in the market at the year end.

MERCANTA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

1. Accounting policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

2. Tangible fixed assets

	£
Cost	
At 1 June 2015	784,307
Additions	4,461
Disposals	(1,621)
At 31 May 2016	787,147
Depreciation	
At 1 June 2015	179,506
Charge for the year	22,311
On disposals	(1,621)
At 31 May 2016	200,196
Net book value	
At 31 May 2016	586,951
At 31 May 2015	604,801

3. Fixed asset investments

	£
Cost or valuation	
At 1 June 2015 and 31 May 2016	2
Net book value	
At 31 May 2016	2
At 31 May 2015	2

The company owns 100% of the issued ordinary share capital of The London School of Coffee Limited, a company incorporated in England and Wales. The company has been dormant through out the year (2015: dormant) and recognised £1,000 (2015: £1,000) of aggregate capital and reserves at 31 May 2016.

The company owns 100% of the issued ordinary share capital of Coffee Hunter Limited, a company incorporated in England and Wales. The company has been dormant through out the year (2015: dormant) and recognised £1 (2015: £1) of aggregate capital and reserves at 31 May 2016.

The company also owns 100% of the associated rights to Mercanta North America LLC, a company incorporated in the United States of America, whose principal activity is the retail of coffee beans to customers located throughout North America. The company earned profits of £178,912 (2015: £61,498) within the year and recognised £639,578 (2015: £460,666) of aggregate capital and reserves at 31 May 2016.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

4. Creditors:

Amounts falling due after more than one year

Bank loans and overdrafts totalling £429,588 (2015: £721,178) are secured against the companies freehold and leasehold properties.

5. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
112,345 Ordinary shares of £1 each	<u>112,345</u>	<u>112,345</u>

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MERCANTA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

6. Transactions with the directors

During the year end 31 May 2013 one of the company's directors, S.L. Hurst, acquired a freehold property from the company at the deemed net book value prevailing at 20 March 2013, for a consideration of £167,820. The consideration was be paid in four equal instalments of £41,955, the first three of which were paid prior to 31 May 2015. The last payment was made within the year.

Interest was accrued on any outstanding balance at a rate of 2.25% above the basic rate. As at 31 May 2016, a balance totalling £nil (2015: £41,955) remained payable to the company