

REGISTERED NUMBER: 04504897 (England and Wales)

Audited Financial Statements for the Year Ended 30 June 2018

for

Merchant Money Ltd



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for the Year Ended 30 June 2018

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Merchant Money Ltd

Company Information
for the Year Ended 30 June 2018

DIRECTORS:

D A Girmun
J L Stern

REGISTERED OFFICE:

Carlton House
5 High Street
Higham Ferrers
Rushden
Northamptonshire
NN10 8BW

REGISTERED NUMBER:

04504897 (England and Wales)

AUDITORS:

Willsons (Higham Ferrers) Ltd
Chartered Accountants
Statutory Auditors
Carlton House
High Street
Higham Ferrers
Northamptonshire
NN10 8BW

Balance Sheet
30 June 2018

	Notes	30.6.18 £	£	30.6.17 £	£
FIXED ASSETS					
Tangible assets	4		3,842		4,932
Investments	5		500		500
			<u>4,342</u>		<u>5,432</u>
CURRENT ASSETS					
Debtors	6	8,995,009		4,235,367	
Cash at bank and in hand		663,075		592,725	
		<u>9,658,084</u>		<u>4,828,092</u>	
CREDITORS					
Amounts falling due within one year	7	3,864,499		1,718,606	
NET CURRENT ASSETS			<u>5,793,585</u>		<u>3,109,486</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,797,927</u>		<u>3,114,918</u>
CREDITORS					
Amounts falling due after more than one year	8		7,655,225		5,254,211
NET LIABILITIES			<u>(1,857,298)</u>		<u>(2,139,293)</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Share premium			119,150		119,150
Retained earnings			(1,977,448)		(2,259,443)
SHAREHOLDERS' FUNDS			<u>(1,857,298)</u>		<u>(2,139,293)</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 on 25/03/2019 and were signed on its behalf by:


.....
D A Girmun - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 June 2018

1. STATUTORY INFORMATION

Merchant Money Ltd 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.

The company's place of business is Suite C, I-3 Canfield Place, London, NW6 3BT

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The company has reported net liabilities on the balance sheet of £1,857,298. The Company is a provider of loan facilities and as such has certain inherent estimation uncertainties on the recoverability of such assets. The policy to account for such estimation uncertainties is described in the bad and doubtful debt provision policy note.

The company is expected to generate sufficient positive cash flows on its own account in the future - however until such point is achieved it will require increasing financial support from its parent, City Cliffs Holdings Limited and other external finance to continue as a going concern.

The directors, having assessed the responses of the directors of the company's parent City Cliffs Holdings Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of City Cliffs Holdings Limited to continue as a going concern or its ability to continue with the current or forecasted support arrangements, provided contractual criteria for advances are met.

The company has separate borrowing from its parent City Cliffs Holdings Limited in respect of finance amounting to £5,150,000 in respect of non-convertible bonds which is due for redemption at various points between May 2019 and May 2020. The total facility is £6million.

On the basis of their assessment of the company's financial position, group and external finance repayments terms and of the enquiries made of the directors of City Cliffs Holdings Limited and external financiers. The company's directors have a reasonable expectation that the company will be able to continue to secure the finance required to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Income is accounted for at the point when the company becomes contractually entitled.

The interest due on ordinary loans made by the company to its clients is accounted for in accordance with the interest schedule within the loan agreement. Other loans may be repaid by an agreed percentage of merchant card takings until the contracted total repayments have been made. In these cases, the interest is accounted for on a pro rata basis of each client repayment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 3 years
Computer equipment	- Straight line over 3 years

Investments in associates

Investments in associate undertakings are recognised at cost.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Discounted bonds

These bonds have been issued by the company at a discount on their redemption cost. The difference between the issue price and the redemption cost is the interest charge. The interest charge within the profit and loss account has been calculated in accordance with the early redemption clause within the bond agreements, and on a basis which apportions more interest to the early stages of the agreement.

Bad and doubtful debt provision

The bad debt provision is charged to operating costs to reflect the company's assessment of the risk of non-recoverability of debts. It is calculated by applying percentage values to debts in arrears outstanding at the end of the accounting period. These percentage values take into account the arrears stage of the debt.

Higher provisioning percentages are applied to debts which are considered to be of greater risk, including those with known arrangements in place. Actual amounts recovered may differ from the estimated levels of recovery which could impact on operating results.

Debts will only be written off where all the collection processes have been exhausted and the debt is deemed to be irrecoverable. All write-offs are approved by Senior Management.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2017 - 8).

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2017	12,195	16,769	28,964
Additions	-	2,614	2,614
At 30 June 2018	12,195	19,383	31,578
DEPRECIATION			
At 1 July 2017	10,723	13,309	24,032
Charge for year	1,420	2,284	3,704
At 30 June 2018	12,143	15,593	27,736
NET BOOK VALUE			
At 30 June 2018	52	3,790	3,842
At 30 June 2017	1,472	3,460	4,932

5. **FIXED ASSET INVESTMENTS**

	Interest in associate £
COST	
At 1 July 2017 and 30 June 2018	500
NET BOOK VALUE	
At 30 June 2018	500
At 30 June 2017	500

6. **DEBTORS**

	30.6.18 £	30.6.17 £
Amounts falling due within one year:		
Trade debtors	6,858,064	2,952,240
Amounts owed by associates	228,437	-
Other debtors	12,515	12,515
Prepayments and accrued income	103,639	51,707
	7,202,655	3,016,462
Amounts falling due after more than one year:		
Trade debtors	1,792,354	1,218,905
Aggregate amounts	8,995,009	4,235,367

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.18	30.6.17
	£	£
Trade creditors	9,055	5,921
Social security and other taxes	19,296	16,097
Other creditors	1,501,921	500
Amounts due to parent	2,082,202	1,540,947
Accruals and deferred income	252,025	155,141
	<u>3,864,499</u>	<u>1,718,606</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.18	30.6.17
	£	£
Amounts due to parent	3,622,978	3,654,211
Other creditors	4,032,247	1,600,000
	<u>7,655,225</u>	<u>5,254,211</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.18	30.6.17
	£	£
Other creditors	5,150,000	1,500,000
Other creditors	382,247	100,000
	<u>5,532,247</u>	<u>1,600,000</u>

The loan of £5.150million is secured by a fixed charge over the main loan book and a floating charge on the assets of the company; the loan of £382,247 is secured by a floating charge on the assets of the company.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.18	30.6.17
Number:	Class:	Nominal value:	£	£
850	Ordinary A	£1	850	850
150	Ordinary B	£1	150	150
			<u>1,000</u>	<u>1,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2018

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

We draw attention to the Accounting Policies Note of the financial statements, which describes the directors assessment of the parent company's continued financial support. Our opinion is not modified in respect of this matter.

Craig Baird FCA (Senior Statutory Auditor)
for and on behalf of Willsons (Higham Ferrers) Ltd

12. ULTIMATE CONTROLLING PARTY

City Cliffs Holdings Limited, a company registered in the British Virgin Islands, was the parent company at the balance sheet date. There is no ultimate parent company as no party holds a controlling shareholding in that company.