

MERSEYSIDE SHIP STORES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

MERSEYSIDE SHIP STORES LIMITED
REGISTERED NUMBER: 04609331

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	94,976	90,138
Investments	6	10	10
		<u>94,986</u>	<u>90,148</u>
Current assets			
Stocks	7	533,602	540,330
Debtors: amounts falling due within one year	8	675,024	716,135
Cash at bank and in hand	9	14,653	13,850
		<u>1,223,279</u>	<u>1,270,315</u>
Creditors: amounts falling due within one year	10	(980,949)	(961,830)
Net current assets		<u>242,330</u>	<u>308,485</u>
Total assets less current liabilities		<u>337,316</u>	<u>398,633</u>
Creditors: amounts falling due after more than one year	11	(32,579)	(35,324)
Provisions for liabilities			
Deferred tax	15	(13,900)	(9,800)
		<u>(13,900)</u>	<u>(9,800)</u>
Net assets		<u><u>290,837</u></u>	<u><u>353,509</u></u>
Capital and reserves			
Called up share capital		20,000	20,000
Profit and loss account		270,837	333,509
		<u><u>290,837</u></u>	<u><u>353,509</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

MERSEYSIDE SHIP STORES LIMITED
REGISTERED NUMBER: 04609331

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017

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 on 21 December 2017.

R. R. Grigor

Director

The notes on pages 3 to 14 form part of these financial statements.

MERSEYSIDE SHIP STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Merseyside Ship Stores Limited is a private limited company, limited by shares, incorporated in England and Wales. It's registered office is Marine House, Unit 9 Lumina Business Park, Martindale Road, Bromborough, Merseyside, CH62 3PT. The company number is 04609331.

The principal activity of the company is that of ships chandlers.

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 following principal accounting policies have been applied:

2.2 Going concern

The company depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Directors are not aware, however, of any circumstances that may adversely affect the renewal of these facilities. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 6.67% to 20% straight line
Motor vehicles	- 25% to 33.33% straight line
Office equipment	- 20% straight line
Computer equipment	- 33.33% straight line

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 the Statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.9 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 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, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.11 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.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.15 Leased assets: the Company as lessee

Assets obtained under hire purchase contract 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 Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 Statement of financial position 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.

3. Employees

The average monthly number of employees, including directors, during the year was 20 (2016 - 24).

MERSEYSIDE SHIP STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Intangible assets

	Goodwill £
Cost	
At 1 April 2016	160,000
At 31 March 2017	<u>160,000</u>
Amortisation	
At 1 April 2016	160,000
At 31 March 2017	<u>160,000</u>
Net book value	
At 31 March 2017	<u><u>-</u></u>
At 31 March 2016	<u><u>-</u></u>

MERSEYSIDE SHIP STORES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2016	252,612	210,420	50,406	513,438
Additions	1,730	47,063	1,594	50,387
Disposals	(31,558)	(70,406)	-	(101,964)
At 31 March 2017	222,784	187,077	52,000	461,861
Depreciation				
At 1 April 2016	213,686	168,262	41,352	423,300
Charge for the year on owned assets	7,585	19,818	4,016	31,419
Charge for the year on financed assets	-	10,314	-	10,314
Disposals	(30,613)	(67,536)	-	(98,149)
At 31 March 2017	190,658	130,858	45,368	366,884
Net book value				
At 31 March 2017	32,126	56,219	6,632	94,977
At 31 March 2016	38,926	42,158	9,054	90,138

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Motor vehicles	46,431	34,263
	46,431	34,263

MERSEYSIDE SHIP STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	10
	<hr/>
At 31 March 2017	10
	<hr/>
Net book value	
At 31 March 2017	10
	<hr/>
At 31 March 2016	10
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
United Mersey Supply Company Limited	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
United Mersey Supply Company Limited	10
	<hr/>
	10
	<hr/>

7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	533,602	540,330
	<hr/>	<hr/>
	533,602	540,330
	<hr/>	<hr/>

MERSEYSIDE SHIP STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Debtors

	2017 £	2016 £
Trade debtors	565,182	564,713
Other debtors	29,127	48,190
Prepayments and accrued income	80,715	103,232
	<u>675,024</u>	<u>716,135</u>

9. Cash and cash equivalents

	2017 £	2016 £
Bank & cash balances	14,653	13,850
Less: bank overdrafts	(72,898)	(83,886)
	<u>(58,245)</u>	<u>(70,036)</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	72,898	83,886
Bank loans	293,122	222,923
Trade creditors	544,775	516,580
Corporation tax	8,356	30,618
Other taxation and social security	5,173	7,037
HP liabilities & finance leases	16,172	18,994
Other creditors	23,269	21,129
Accruals and deferred income	17,184	60,663
	<u>980,949</u>	<u>961,830</u>

MERSEYSIDE SHIP STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017 £	2016 £
Bank loans	17,662	34,334
HP liabilities & finance leases	14,917	990
	<u>32,579</u>	<u>35,324</u>

Secured loans

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and a personal guarantee by the directors of the company.

HP liabilities & finance leases are secured on the assets concerned.

12. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	293,122	222,923
	<u>293,122</u>	<u>222,923</u>
Amounts falling due 1-2 years		
Bank loans	17,662	16,632
	<u>17,662</u>	<u>16,632</u>
Amounts falling due 2-5 years		
Bank loans	-	17,701
	<u>-</u>	<u>17,701</u>
	<u>310,784</u>	<u>257,256</u>

MERSEYSIDE SHIP STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	17,275	20,823
Between 1-2 years	10,888	1,117
Between 2-5 years	5,553	-
	<u>33,716</u>	<u>21,940</u>

14. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	14,653	13,850
	<u>14,653</u>	<u>13,850</u>

Financial assets measured at fair value through profit or loss comprise bank & cash balances.

15. Deferred taxation

	2017 £
At beginning of year	(9,800)
Charged to profit or loss	(4,100)
At end of year	<u>(13,900)</u>

The provision for deferred taxation is made up as follows:

	2017 £
Accelerated capital allowances	(13,900)
	<u>(13,900)</u>

MERSEYSIDE SHIP STORES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

16. 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.

17. Related party transactions

	2017 £	2016 £
Loan due from / (to) the directors R. R. Grigor and J. Evans	(23,269)	(18,320)
Loan due from / (to) the director M. A. Moss	9,579	(2,809)
Total dividends paid to the directors of the company	102,083	117,500
Rent payable on property owned by the director's pension scheme	20,000	20,000
	<u>108,393</u>	<u>116,371</u>

18. Controlling party

The directors are the controlling party of the company.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.