

MERCAT FINANCE (AYRSHIRE) LTD

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2019**

**Company Registration No. SC417747 (Scotland)
PAGES FOR FILING WITH REGISTRAR**

MERCAT FINANCE (AYRSHIRE) LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 5

MERCAT FINANCE (AYRSHIRE) LTD

BALANCE SHEET

AS AT 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Debtors falling due after more than one year	3	249,598		309,457	
Debtors falling due within one year	3	295,820		350,501	
Cash at bank and in hand		213,398		202,825	
		<u>758,816</u>		<u>862,783</u>	
Creditors: amounts falling due within one year	4	<u>(398,482)</u>		<u>(544,301)</u>	
Net current assets			360,334		318,482
Capital and reserves					
Called up share capital	5		100		100
Profit and loss reserves			360,234		318,382
Total equity			<u>360,334</u>		<u>318,482</u>

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

For the financial year ended 31 January 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 25 July 2019 and are signed on its behalf by:

Mr James Thomson
Director

Company Registration No. SC417747

MERCAT FINANCE (AYRSHIRE) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

1 Accounting policies

Company information

Mercat Finance (Ayrshire) Ltd is a private company limited by shares incorporated in Scotland. The registered office is 45 Barrhill Road, Cumnock, Ayrshire, KA18 1PW.

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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable from interest & arrangement fees on finance agreements with customers.

1.3 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.

1.4 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.

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.

MERCAT FINANCE (AYRSHIRE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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.

1.5 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.

1.6 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.

1.7 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2018 - 1).

MERCAT FINANCE (AYRSHIRE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

3 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	284,837	316,348
Other debtors	10,983	34,153
	<u>295,820</u>	<u>350,501</u>
Amounts falling due after more than one year:		
Trade debtors	249,598	309,457
	<u>249,598</u>	<u>309,457</u>
Total debtors	<u>545,418</u>	<u>659,958</u>
4 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	-	3,076
Other taxation and social security	7,956	10,525
Other creditors	390,526	530,700
	<u>398,482</u>	<u>544,301</u>
5 Called up share capital	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
6 Related party transactions	2019	2018
	£	£
Amounts owed to related parties		
Mercat Finance Partnership	-	24,112
	<u>-</u>	<u>24,112</u>

Mercat Finance (Ayrshire) Ltd is a related party of Mercat Finance Partnership by virtue of common control.

MERCAT FINANCE (AYRSHIRE) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

6 Related party transactions

(Continued)

Mercat Finance (Ayrshire) Ltd is a related party of JK Thomson & Sons Ltd by virtue of common directorship. During the year Mercat Finance (Ayrshire) Ltd sold returned vehicles from terminated finance agreements to JK Thomson & Sons Ltd at a net loss of £178.

Included within 'Other debtors' at 31 January 2019 is an interest free loan of £7,200 owed by JK Thomson & Sons Ltd. This will be repaid within the current year.

Included within 'Other creditors' at 31 January 2019, are loans owed to the following related parties, on which interest is chargeable at 3% per annum :

- Amounts to a director - £49
- JK Thomson & Sons Ltd (connected company) - £34

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.