

Merrell Publishers Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 30 June 2020

Registration number: 2406964

Merrell Publishers Limited

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Merrell Publishers Limited
(Registration number: 2406964)
Statement of financial position as at 30 June 2020

| | Note | 2020 £ | 2019 £ |
|--|-------------------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 4 | 4,455 | 6,941 |
| Current assets | | | |
| Stocks | 5 | 217,414 | 194,477 |
| Debtors | 6 | 61,073 | 112,208 |
| Cash at bank and in hand | | 132,793 | 93,942 |
| | | 411,280 | 400,627 |
| Creditors: Amounts falling due within one year | 7 | (157,907) | (213,512) |
| Net current assets | | 253,373 | 187,115 |
| Total assets less current liabilities | | 257,828 | 194,056 |
| Creditors: Amounts falling due after more than one year | 7 | (50,000) | - |
| Provisions for liabilities | | - | (156) |
| Net assets | | 207,828 | 193,900 |
| Capital and reserves | | | |
| Called up share capital | 8 | 14,150 | 14,150 |
| Share premium reserve | | 42 | 42 |
| Other reserves | | 10,000 | 10,000 |
| Profit and loss account | | 183,636 | 169,708 |
| Total equity | | 207,828 | 193,900 |

For the financial year ending 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages [3](#) to [8](#) form an integral part of these financial statements.

Merrell Publishers Limited
(Registration number: 2406964)
Statement of financial position as at 30 June 2020

These financial statements 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.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Income statement has been taken.

Approved and authorised by the director on 27 January 2021

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Mr H Merrell
Director

Merrell Publishers Limited
Notes to the Unaudited Financial Statements for the Year Ended 30 June
2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Solo House
The Courtyard
London Road
Horsham
West Sussex
RH12 1AT

The principal place of business is:

70 Cowcross Street
London
EC1M 6EJ

These financial statements were authorised for issue by the director on 27 January 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue at the point when invoices are raised for items which have been purchased. A provision is however recognised in order to allow for instances where books are returned after the invoices have been raised.

Income received during the year net of any costs incurred for books completed and published after the year end is treated as deferred income.

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Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|--------------------|-------------------------------------|
| Motor vehicles | 25% reducing balance |
| Office equipment | 25% straight line |

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Merrell Publishers Limited
Notes to the Unaudited Financial Statements for the Year Ended 30 June
2020

Stocks

Book stock is valued at the lower of cost and net realisable value on a 3 year reducing balance basis. Books held for more than 2 years from the year end hold a nominal value in the balance sheet.

Advances of royalties to authors are accounted for when an advance is paid less any provision required to bring the amount down to its net realisable value. The royalty advance is expensed at the contracted royalty rate as the revenues are earned.

Trade returns

Provision is made against trade sales in respect of potential returns based upon the actual post year returns for the company. Returns can be made at any time although these are usually made within six months of the original date.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 1 (2019 - 1).

Merrell Publishers Limited
Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

4 Tangible assets

| | Office equipment £ | Motor vehicles £ | Total £ |
|--------------------------|-----------------------------------|---------------------------------|--------------------|
| Cost or valuation | | | |
| At 1 July 2019 | 20,386 | 9,331 | 29,717 |
| At 30 June 2020 | 20,386 | 9,331 | 29,717 |
| Depreciation | | | |
| At 1 July 2019 | 17,382 | 5,394 | 22,776 |
| Charge for the year | 1,502 | 984 | 2,486 |
| At 30 June 2020 | 18,884 | 6,378 | 25,262 |
| Carrying amount | | | |
| At 30 June 2020 | 1,502 | 2,953 | 4,455 |
| At 30 June 2019 | 3,004 | 3,937 | 6,941 |

5 Stocks

| | 2020 £ | 2019 £ |
|------------------|-------------------|-------------------|
| Book stock | 189,475 | 171,702 |
| Work in progress | 27,939 | 22,775 |
| | <u>217,414</u> | <u>194,477</u> |

Merrell Publishers Limited
Notes to the Unaudited Financial Statements for the Year Ended 30 June
2020

6 Debtors

| | 2020 | 2019 |
|---------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 59,084 | 98,618 |
| Prepayments | 140 | 179 |
| Other debtors | 1,849 | 13,411 |
| | <u>61,073</u> | <u>112,208</u> |

7 Creditors

Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Due within one year | | |
| Trade creditors | 32,494 | 69,850 |
| Taxation and social security | 27,990 | 11,741 |
| Accruals and deferred income | 39,456 | 80,047 |
| Other creditors | 57,967 | 51,874 |
| | <u>157,907</u> | <u>213,512</u> |

Creditors: amounts falling due after more than one year

| | 2020 | 2019 |
|---------------------------|---------------|-------------|
| | £ | £ |
| Due after one year | | |
| Loans and borrowings | <u>50,000</u> | <u>-</u> |

Note

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Merrell Publishers Limited
Notes to the Unaudited Financial Statements for the Year Ended 30 June 2020

8 Share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|-------------------------------------|--------|--------|--------|--------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 5,800 | 5,800 | 5,800 | 5,800 |
| 30% Preference shares of £0.50 each | 16,700 | 8,350 | 16,700 | 8,350 |
| | 22,500 | 14,150 | 22,500 | 14,150 |
| | 22,500 | 14,150 | 22,500 | 14,150 |

9 Loans and borrowings

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Non-current loans and borrowings | | |
| Bank borrowings | 50,000 | - |
| | 50,000 | - |

10 Related party transactions

Transactions with directors

| | At 1 July 2019 £ | Repayments by director £ | At 30 June 2020 £ |
|---------------------|------------------------|--------------------------------|----------------------------|
| 2020 | | | |
| Mr H Merrell | 10,000 | (10,000) | - |
| | 10,000 | (10,000) | - |
| | 10,000 | (10,000) | - |

| | At 1 July 2018 £ | Advances to directors £ | At 30 June 2019 £ |
|---------------------|------------------------|----------------------------------|----------------------------|
| 2019 | | | |
| Mr H Merrell | - | 10,000 | 10,000 |
| | - | 10,000 | 10,000 |
| | - | 10,000 | 10,000 |