

Company Registration No. 03547108 (England and Wales)

MERLIN ENERGY RESOURCES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
PAGES FOR FILING WITH REGISTRAR

MERLIN ENERGY RESOURCES LIMITED

COMPANY INFORMATION

Directors Dr Andrew Sims
Dr Philip Copestake
Dr William Wilks

Secretary Dr Andrew Sims

Company number 03547108

Registered office Newberry House
New Street
Ledbury
HR8 2EJ

Accountants Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Bankers NatWest
12 Broad Street
Hereford
HR4 9AH

MERLIN ENERGY RESOURCES LIMITED

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MERLIN ENERGY RESOURCES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		590,230		624,649
Investments	4		278,755		375,000
			<u>868,985</u>		<u>999,649</u>
Current assets					
Stocks		4,968		-	
Debtors	5	513,397		460,513	
Cash at bank and in hand		1,096,545		1,545,002	
		<u>1,614,910</u>		<u>2,005,515</u>	
Creditors: amounts falling due within one year	6	(846,081)		(1,117,111)	
Net current assets			<u>768,829</u>		<u>888,404</u>
Total assets less current liabilities			1,637,814		1,888,053
Creditors: amounts falling due after more than one year	7		(300,810)		(552,490)
Provisions for liabilities			<u>(2,251)</u>		<u>(3,561)</u>
Net assets			<u>1,334,753</u>		<u>1,332,002</u>
Capital and reserves					
Called up share capital	8		18,863		18,863
Revaluation reserve	9		292,261		302,153
Capital redemption reserve	10		31,137		31,137
Profit and loss reserves			<u>992,492</u>		<u>979,849</u>
Total equity			<u>1,334,753</u>		<u>1,332,002</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 December 2017 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 Act 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.

MERLIN ENERGY RESOURCES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 12 June 2018 and are signed on its behalf by:

Dr Andrew Sims
Director

Company Registration No. 03547108

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Merlin Energy Resources Limited is a private company limited by shares incorporated in England and Wales. The registered office is Newberry House, New Street, Ledbury, HR8 2EJ.

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 for goods and services net of VAT. Turnover is recognised when the service or good is provided.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	25 years straight line
Plant and machinery	2 years straight line / 15% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.6 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.

1.7 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.

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

1.8 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.

1.9 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Retirement benefits

The pension costs charged in the financial statements represent the contributions payable by the company in the year.

1.11 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2016 - 17).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2017	675,000	297,455	972,455
Additions	-	5,189	5,189
At 31 December 2017	675,000	302,644	977,644
Depreciation and impairment			
At 1 January 2017	72,000	275,806	347,806
Depreciation charged in the year	27,000	12,608	39,608
At 31 December 2017	99,000	288,414	387,414
Carrying amount			
At 31 December 2017	576,000	14,230	590,230
At 31 December 2016	603,000	21,649	624,649

The Colwall freehold land and buildings were valued on an open market basis by John Goodwin, an independent external Chartered Surveyor on 27 May 2014. The directors believe this valuation is a fair value of the property at the year end. The historic cost of this freehold property is £157,702.

Newberry House was valued on an open market basis by John Goodwin, an independent external Chartered Surveyor on 23 May 2014. The directors believe this valuation is a fair value of the property at the year end. The historic cost of the property is £295,147.

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Fixed asset investments

	2017 £	2016 £
Investments	278,755	375,000
Other investments	-	-
Loans	-	-
	<u>278,755</u>	<u>375,000</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2017	375,000
Valuation changes	(96,245)
	<u>278,755</u>
At 31 December 2017	
Carrying amount	
At 31 December 2017	<u>278,755</u>
	<u>375,000</u>
At 31 December 2016	

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	352,184	364,701
Other debtors	161,213	95,812
	<u>513,397</u>	<u>460,513</u>

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	71,172	58,360
Corporation tax	20,559	110,728
Other taxation and social security	55,068	48,138
Other creditors	411,082	894,052
Accruals and deferred income	288,200	5,833
	<u>846,081</u>	<u>1,117,111</u>

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	<u>300,810</u>	<u>552,490</u>

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
18,863 Ordinary shares of £1 each	<u>18,863</u>	<u>18,863</u>

9 Revaluation reserve

	2017 £	2016 £
At beginning of year	302,153	312,045
Effect of transition to FRS 102	-	-
	<u>302,153</u>	<u>312,045</u>
At beginning of year	302,153	312,045
Revaluation surplus arising in the year	(9,892)	(9,892)
	<u>292,261</u>	<u>302,153</u>

10 Capital redemption reserve

MERLIN ENERGY RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Capital redemption reserve	(Continued)	
	2017 £	2016 £
At beginning and end of year	31,137 <u> </u>	31,137 <u> </u>

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.