

Mere Plantations Limited

**Report of the Directors and Unaudited Abridged Filleted Financial Statements
For the year ended 29 June 2021**

Company registration number: 06041356



Mere Plantations Limited

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Mere Plantations Limited
Company information
For the year ended 29 June 2021

Directors: Mr M A Hogg
Mr P Forjoe
Mr A Indaimo (non-executive chairman)
Mr G Clarkson (non-executive)
Mr K O'Doherty (non-executive)
Mr M Rawlinson (non-executive)
Mr B Whitley (non-executive)

Registered Number: 06041356

Registered Office: Unit 1 Cherry Tree Farm
Cherry Tree Lane
Rostherne
Cheshire, WA14 3RZ

Accountants: Momentum Taxation and Accountancy Ltd
Harelands Courtyard Offices
Moor Road
Melsonby
Richmond
North Yorkshire
DL10 5NY

Mere Plantations Limited
Report of the Directors
For the year ended 29 June 2021

The directors present their report with the abridged filleted financial statements of the company for the year ended 29 June 2021.

Principal activities

The company's principal activities are proprietary and contract growing, and developing tropical timber plantations, in West Africa, the output of which falls under export/import code 440349 - tropical timber in the rough.

Business review

The directors are pleased to report continued progress with the company's plantation, in line with forecast, and that timber is now successfully generating sales in line with business plan and forecasts.

All required precautions were deployed, and support given to staff on the ground in Ghana, throughout the Covid-19 pandemic, and other than non-extraordinary sick days the workforce remained unaffected.

The company has significantly increased expenditure on fire monitoring via satellite, and people-based on-the-ground fire prevention. This has paid dividends through a notable reduction in fire risk.

Directors

The directors shown below have held office during the whole of the period from 30 June 2020 to the date of this report.

Mr M A Hogg

Mr P Forjoe

Mr A Indaimo (non-executive chairman)

Mr G Clarkson (non-executive)

Mr K O'Doherty (non-executive)

Mr M Rawlinson (non-executive)

Mr B Whitley (non-executive)

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board:



Mark Hogg
Director
10 June 2022

Mere Plantations Limited
Balance sheet as at 29 June 2021

Registration number: 06041356	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	4	14,555,296	14,555,296
Biological assets	5	701,367,583	518,053,889
DEBTORS: Amounts falling due after one year	6	10,495,834	3,280,474
		<u>726,418,713</u>	<u>535,889,659</u>
CURRENT ASSETS			
DEBTORS: Amounts falling due within one year	7	36,982	167,887
Cash at bank and in hand		901	286,110
		<u>37,883</u>	<u>453,997</u>
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	8	(198,587)	(1,621,201)
NET CURRENT LIABILITIES		<u>(160,704)</u>	<u>(1,167,204)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>726,258,007</u>	<u>534,722,455</u>
CREDITORS: Amounts falling due after one year	9	(10,559,773)	(10,324,613)
NET ASSETS		<u>715,698,234</u>	<u>524,397,842</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Revaluation reserve	11	8,445,296	8,445,296
Profit and loss account	12	707,252,838	515,952,446
SHAREHOLDERS' FUNDS		<u>715,698,234</u>	<u>524,397,842</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 29 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 29 June 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) Ensuring that the company keeps accounting records that comply with Sections 386 and 387 the requirements of the Companies Act 2006; and
- (b) Preparing financial statements that give a true and fair view of the state of the affairs of the company as at the end of each financial year, and of its profit or loss for each financial year, in accordance with the requirements of Sections 394 and 395, and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far as applicable to the company.

The abridged filleted financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The members have consented to the preparation of abridged filleted financial statements in accordance with Section 444 of the Companies Act 2006. An income statement has not been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The abridged filleted financial statements were approved by the Board of Directors, and authorised for issue on 10 June 2022, and were signed on its behalf by:



Mark Hogg
Director

The notes on pages 4 to 7 form an integral part of these abridged filleted financial statements

Mere Plantations Limited
Notes to the abridged filleted financial statements for the year ended 29 June 2021

1. Statutory information

Mere Plantations Ltd is a private company limited by shares and is registered in England and Wales. The address of the registered office and company registration number can be found on the Company information page.

The company's principal activities are proprietary and contract growing and developing tropical timber plantations in West Africa, the output of which falls under export/import code 440349 – tropical timber in the rough.

2. Accounting policies

Basis of preparation

These abridged filleted financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The abridged filleted financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The abridged filleted financial statements are presented in sterling, which is the functional currency of the company and are shown rounded up to the nearest pound.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales tax.

Taxation

HMRC have confirmed that the activities of the company currently fall outside the scope of UK Corporation Tax, and as such the company has been granted an exemption from filing UK Corporation Tax returns until 31 May 2026.

Tangible assets

Leasehold plantation land is stated at fair value, including the value of any land cleared during the year, with any revaluation adjustment taken to a revaluation reserve.

Fixtures & fittings, office and computer equipment are stated at cost less depreciation and impairment.

Depreciation is calculated, using the straight-line method, to write off their cost over their expected useful lives, as follows:

Fixtures and fittings: 5 years

Office equipment: 5 years

Computer equipment: 3 years

Biological assets

Biological assets are measured at fair value less costs to sell. Where fair value is unable to be determined the assets are measured at cost less any impairment. Any fair value adjustments are taken to the profit and loss account in the year incurred.

Cash and cash equivalents

Cash and cash equivalents include deposits held on call with banks. Bank overdrafts, when applicable, are shown within current liabilities.

Mere Plantations Limited
Notes to the abridged filleted financial statements for the year ended 29 June 2021

3. Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Exchange gains and losses are recognised in the profit and loss account.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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

Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

4. Tangible assets

	Leasehold Land £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost/valuation					
At 29 June 2021 and 29 June 2020	14,555,296	12,830	6,342	19,566	14,594,034
Amortisation					
At 29 June 2020 and 29 June 2020	-	(12,830)	(6,342)	(19,566)	(38,738)
Net Book Value					
At 29 June 2021 and 29 June 2020	14,555,296	-	-	-	14,555,296

The directors revalue the leasehold land in line with Ghana Forestry Commission revaluation and reappraisal protocols, based on an assessment of fair value, including the fair value of land cleared during the year. Any revaluation adjustment is taken to a revaluation reserve. The last valuation of the leasehold land was carried out at 29 June 2020 and the next valuation will be carried out in 2030.

Mere Plantations Limited
Notes to the abridged filleted financial statements for the year ended 29 June 2021

5. Biological assets

	2021 £
At fair value: 29 June 2020	518,053,889
Trees purchased	18,582
Fair value adjustment	183,295,112
At fair value: 29 June 2021	701,367,583
At fair value: 29 June 2020	518,053,889

Biological assets are stated at fair value less costs to sell based on an assessment of the cubic meters of timber, priced at a conservative selling price for the tropical timber. We have been prudent in our valuation assessment and not accounted for the value of the carbon absorbed nor any biomass available from the plantation. This is reviewed on a regular basis.

6. Debtors: Amounts falling due after one year

	2021 £	2020 £
Amounts to be realised on harvesting	10,495,834	3,280,474

7. Debtors: Amounts falling due within one year

	2021 £	2020 £
VAT receivable	5,049	9,427
Rental deposit	15,000	15,000
Related party receivable	1,659	1,183
Debtors & other receivables	15,274	142,277
	36,982	167,887

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	56,672	49,847
Other accruals & advances	131,446	1,513,977
Bank overdraft	7,340	-
Bank loan	-	54,817
Other taxes & social security	3,130	2,560
	198,588	1,621,201

The bank overdraft is secured by a second right, fixed and floating charge over all the assets of the company

Mere Plantations Limited

Notes to the abridged filleted financial statements for the year ended 29 June 2021

9. Creditors: Amounts falling due after one year

	2021	2020
	£	£
Director loan & accrued interest	10,559,773	10,324,613

The director loan has no fixed terms of repayment, accrues interest, and is secured by a first right, fixed and floating charge over all the assets of the company.

10. Called up share capital

Allotted, called up and fully paid

Allotted, called up and fully paid	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100
		<hr/> 100		<hr/> 100

11. Revaluation reserve

	2021
	£
At 29 June 2021 and 29 June 2020	<u>8,445,296</u>

12. Profit and loss account

	2021
	£
Profit and loss b/fwd: 29 June 2020	515,952,446
Profit for the year	191,300,392
At 29 June 2021	<u>707,252,838</u>
At 29 June 2020	<u>515,952,446</u>

13. Average number of employees

The average number of employees during the year was 4 (2020: 3).