

REGISTERED NUMBER: 06527724 (England and Wales)

Financial Statements
for the Year Ended 31 December 2016
for
Montpelier Professional (Lancs) Limited

SATURDAY



A6G37PC2

A08

30/09/2017

#25

COMPANIES HOUSE

**Contents of the Financial Statements
for the Year Ended 31 December 2016**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Montpelier Professional (Lancs) Limited

**Company Information
for the Year Ended 31 December 2016**

DIRECTORS:

Mrs S McDonald
Mrs K L Giddins
Mrs L Highton
Mr A J B McDonald
Mrs J A Flintoff

SECRETARY:

Mrs L Highton

REGISTERED OFFICE:

Charter House
Pittman Way
Fulwood
Preston
Lancashire
PR2 9ZD

REGISTERED NUMBER:

06527724 (England and Wales)

AUDITORS:

Wilson Henry LLP
Statutory Auditor
Chartered Accountants
145 Edge Lane
Liverpool
L7 2PF

Montpelier Professional (Lancs) Limited (Registered number: 06527724)

**Balance Sheet
31 December 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	4	1,435,054	1,558,551
Tangible assets	5	31,750	46,994
		<u>1,466,804</u>	<u>1,605,545</u>
CURRENT ASSETS			
Stocks	6	255,108	398,672
Debtors	7	548,059	460,088
Cash at bank and in hand		50,550	140,846
		<u>853,717</u>	<u>999,606</u>
CREDITORS			
Amounts falling due within one year	8	2,150,985	2,124,619
NET CURRENT LIABILITIES		<u>(1,297,268)</u>	<u>(1,125,013)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		169,536	480,532
CREDITORS			
Amounts falling due after more than one year	9	49,884	113,994
NET ASSETS		<u>119,652</u>	<u>366,538</u>
CAPITAL AND RESERVES			
Called up share capital		300	300
Capital contribution reserve		8,046	13,168
Other reserves		1,653	4,883
Retained earnings		109,653	348,187
SHAREHOLDERS' FUNDS		<u>119,652</u>	<u>366,538</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 28th September 2017 and were signed on its behalf by:


Mrs S McDonald - Director


Mrs K L Giddins - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2016**

1. STATUTORY INFORMATION

Montpelier Professional (Lancs) Limited is a private company, limited by shares, registered in England and Wales. The company's registered office address is Charter House, Pittman Way, Fulwood, Preston, Lancashire, PR2 9ZD.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A 'small entities' of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value.

These financial statements are the first financial statements of Montpelier Professional (Lancs) Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Montpelier Professional (Lancs) Limited for the year ended 31 December 2015 were prepared in accordance with Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirement of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 Section 1A 'Small Entities' has affected the reported financial position and financial performance is given in note 16.

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 £.

Turnover

Turnover represents invoiced sales, excluding value added tax, as derived from the ordinary activities of the company.

Turnover is accounted for as revenue when, and to that extent that, the company obtains a right to consideration in exchange for its performance of its obligations under the sales contract with the customer. The amount reported is the fair value of the right to consideration - usually the price specified in the contractual arrangement net of discounts and net of VAT, and after any allowance for credit risk and other uncertainties.

Goodwill

Goodwill represents the excess of the consideration for a business acquired in 2008 with the fair value of net assets acquired is capitalised and written off evenly over its useful economic life of 20 years. The useful economic lives are reviewed at the end of each reporting period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 15% on cost
Fixtures and fittings	- 25% on cost
Office equipment	- 33% on cost

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

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 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 trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised costs using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic Financial Liabilities

Basic financial liabilities, including trade and other payables, 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.

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

De-recognition of financial liabilities

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

2. ACCOUNTING POLICIES - continued

Financial liabilities are de-recognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

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.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Going concern

Notwithstanding the fact that the company has net liabilities of £1,297,268 as at 31 December 2016, having reviewed the composition of the liabilities and the financial and cash flow position of the company, the directors have a reasonable expectation that the company can generate adequate resources to continue operating for the foreseeable future.

Included within net current liabilities are loans from group companies of £1,577,171 and Directors loans of £147,059. These loans are all interest free and have no fixed date for repayment. Also included within creditors are loans from previous Directors totalling £113,994 which are interest free.

For this reason the Directors conclude that the going concern basis is appropriate.

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Work in progress is valued on the basis of direct costs, attributable overheads plus the full element of any related profit. Provision is made for any foreseeable losses where appropriate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

2. ACCOUNTING POLICIES - continued

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 31 (2015 - 31).

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016	
and 31 December 2016	2,469,967
AMORTISATION	
At 1 January 2016	911,416
Amortisation for year	123,497
At 31 December 2016	1,034,913
NET BOOK VALUE	
At 31 December 2016	1,435,054
At 31 December 2015	1,558,551

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Office equipment £	Totals £
COST				
At 1 January 2016	45,734	27,467	31,501	104,702
Additions	-	-	508	508
At 31 December 2016	45,734	27,467	32,009	105,210
DEPRECIATION				
At 1 January 2016	10,300	24,762	22,646	57,708
Charge for year	6,862	1,452	7,438	15,752
At 31 December 2016	17,162	26,214	30,084	73,460
NET BOOK VALUE				
At 31 December 2016	28,572	1,253	1,925	31,750
At 31 December 2015	35,434	2,705	8,855	46,994

6. STOCKS

	2016 £	2015 £
Work-in-progress	255,108	398,672

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2016	2015
	£	£
Trade debtors	421,785	365,010
Amounts owed by group undertakings	38,520	22,343
Other debtors	179	-
Prepayments and accrued income	87,575	72,735
	<u>548,059</u>	<u>460,088</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2016	2015
	£	£
Trade creditors	35,466	57,473
Amounts owed to group undertakings	1,577,171	1,577,171
Amounts owed to participating interests	15,504	4,715
Social security and other taxes	195,489	176,931
Other creditors	64,217	72,953
Directors' loan accounts	147,059	147,059
Accrued expenses	116,079	88,317
	<u>2,150,985</u>	<u>2,124,619</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2016	2015
	£	£
Other creditors	<u>49,884</u>	<u>113,994</u>

10. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2016	2015
	£	£
Within one year	90,575	90,575
Between one and five years	169,777	259,777
In more than five years	-	575
	<u>260,352</u>	<u>350,927</u>

11. SECURED DEBTS

The Company has given Unlimited Composite Cross Guarantee dated 26th March 2010 between Montpelier Professional Limited, Montpelier Professional (Borders) Limited, Montpelier Professional (Galloway) Limited, Montpelier Professional (Herts) Limited, Montpelier Professional (Fylde) Limited, Montpelier Professional (Leeds) Limited, Montpelier Professional (Sheffield) Limited, Montpelier Professional (Lancs) Limited, Montpelier Professional (Manchester) Limited, Montpelier Professional (West End) Limited.

Total amount in respect of bank loans and overdrafts for the above companies amounted to £4,862,577 as at 31 December 2016 which is covered by the Unlimited Composite Cross Guarantee.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Hilene S Henry (Senior Statutory Auditor)
for and on behalf of Wilson Henry LLP

13. RELATED PARTY DISCLOSURES

At 31 December 2016 the Company owed £147,059 to a director. No interest has been charged to the company in respect of this loan which is repayable on demand and classified in creditors due within one year.

At the year end the Company owed £33,747 and £80,247 to two former directors. These loans are interest free and repayable by instalments of £35,400 and £29,412 respectively. The loans are in accordance with the shareholders agreement and expire in 2017 and 2019 respectively.

14. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

15. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Montpelier Group (Tax Consultants) Limited, a company registered in the Isle of Man, by virtue of a controlling interest in the immediate parent Montpelier Professional Limited.

16. FIRST YEAR ADOPTION

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 section 1a (FRS 102 section 1a) issued by the Financial Reporting Council.

The last financial statements under previous UK GAAP were for the year ended 31 December 2015 and the date of transition to FRS 102 section 1a was therefore 1 January 2015. The transition to FRS 102 Section 1A for small entities has resulted in a change in accounting policy to those used previously, as detailed below:

Non-market rate loans

FRS 102 requires all loans without a fixed repayment date in more than 12 months to be classified as creditors due within one year. As a result, £147,059 of director's loans, £1,577,171 of group loans and £3,659 of related party loans were reclassified from creditors due in more than one year to creditors due within one year as at 1 January 2015 and £147,059 of director's loans and £1,577,171 of group loans as at 31 December 2015.

Interest free loans with fixed repayment dates are included at amortised cost using a deemed market rate of interest at 4.9%. The reclassification of the loans and their inclusion at amortised cost on transition resulted in the creation of non distributable reserves of £29,041 and an additional charge to interest of £10,990 for the year ended 31 December 2015.