Financial Statements for the Period

Ended 30 June 2018

for

Montpelier Professional (Lancs) Limited

Contents of the Financial Statements for the Period Ended 30 June 2018

Montpelier Professional (Lancs) Limited
Company Information for the Period Ended 30 June 2018

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)

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

Balance Sheet
30 June 2018

	Notes	2018 £	2018 £	2016 £	2016 £
FIXED ASSETS					
Intangible assets	4		1,249,807		1,435,054
Tangible assets	5		25,144		31,750
			1,274,951		1,466,804
CURRENT ASSETS					
Stocks	6	517,385		255,108	
Debtors	7	361,369		548,059	
Cash at bank and in hand		(94,696)		50,550	
		784,058		853,717	
CREDITORS					
Amounts falling due within one year	8	(2,023,469)		(2,150,985)	
NET CURRENT LIABILITIES			(1,239,411)		(1,297,268)
TOTAL ASSETS LESS CURRENT LIABILITIES			35,540		169,536
CREDITORS					
Amounts falling due after more than one year	9		(14,705)		(49,884)
NET ASSETS			20,835		119,652
CAPITAL AND RESERVES					
Called up share capital			300		300
Capital contribution reserve			2,772		8,046
Other reserves			-		1,653
Retained earnings			17,763		109,653
SHAREHOLDERS' FUNDS			20,835		119,652

Balance Sheet (Continued)
30 June 2018

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 period ended 30 June 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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 period in question in accordance with section 476.

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

The financial statements were approved by the Board of Directors on 28th March 2019 and were signed on its behalf by:

L.B.Highton.

Mrs Louise Highton - Director

Notes to the Financial Statements for the Period Ended 30 June 2018

1. COMPANY INFORMATION

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

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic or 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 FRS102 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.

The financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value. The principle accounting policies adopted are set out below.

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 an 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.

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.

2. **ACCOUNTING POLICIES - continued**

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

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.

2. **ACCOUNTING POLICIES - continued**

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 current liabilities of £1,239,411 as at 30 June 2018, 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 £44,117 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.

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 period was 28 (2016 - 31).

4. INTANGIBLE FIXED ASSETS

	Goodwill
COST	£
At 1 January 2017 and 30 June 2018	2,469,967
AMORTISATION	
At 1 January 2017	1,034,913
Amortisation for the year	185,248
At 30 June 2018	**1,220,161**
NET BOOK VALUE	
At 30 June 2018	**1,249,806**
At 31 December 2016	**1,435,054**

5. TANGIBLE FIXED ASSETS

	Short Leasehold	Fixtures and	Office Equipment	Total
COST	£	£	£	£
At 1 January 2017	45,734	27,467	32,009	105,210
Additions	-	515	7,829	8,344
At 30 June 2018	45,734	27,982	39,838	113,554
DEPRECIATION				
At 1 January 2017	17,162	26,214	30,084	73,460
Charge for year	10,292	1,162	3,496	14,950
At 30 June 2018	27,454	27,376	33,580	88,410
NET BOOK VALUE				
At 30 June 2018	**18,280**	**606**	**6,258**	**25,144**
At 31 December 2016	**28,572**	**1,253**	**1,925**	**31,750**

6. STOCKS

	2018	2016
	£	£
Work-in-progress	517,385	255,108

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2016
	£	£
Trade debtors	208,680	421,785
Amounts owed by group undertakings	58,560	38,520
Other debtors	179	179
Prepayments and accrued income	93,950	87,575
	361,369	548,059

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2016
	£	£
Trade creditors	43,809	35,466
Amounts owed to group undertakings	1,577,171	1,577,171
Amounts owed to participating interests	15,327	15,504
Social security and other taxes	141,266	195,489
Other creditors	29,461	64,217
Directors' loan accounts	147,059	147,059
Accrued expenses	69,376	116,079
	2,023,469	2,150,985

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2016
	£	£
Other creditors	14,705	49,884

10. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2016
	£	£
Within one year	90,575	90,575
Between one and five years	39,514	169,777
	130,089	260,352

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.

The total amount in respect of bank loans and overdrafts for the above companies is covered by an Unlimited Composite Cross Guarantee.

12. RELATED PARTY DISCLOSURES

At 30 June 2018 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 period end the Company owed £44,117 to a former director. This loan is interest free and repayable by instalments of £14,706 every six months. The loan is in accordance with the shareholders agreement and expires in 2019.

Interest free loans with fixed repayment dates are included at amortised cost using a deemed market rate of interest at 4.9%.

13. 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.