

Registration number: 07759291

# **Mercato Metropolitano Ltd**

## **Annual Report and Unaudited Financial Statements**

For the Year Ended 31 December 2019



# Mercato Metropolitano Ltd

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# Mercato Metropolitano Ltd

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## Company Information

<b>Directors</b>	Andrea Rasca Amedeo Claris-Delmedico
<b>Company secretary</b>	Letizia Cervieri
<b>Registration number</b>	07759291
<b>Registered office</b>	42 Newington Causeway London SE1 6DR
<b>Accountants</b>	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT

# Mercato Metropolitano Ltd

## Balance Sheet

as at 31 December 2019

Registration number: 07759291

	Note	2019 £	As restated 2018 £
<b>Fixed assets</b>			
Tangible assets	4	278,722	230,628
Investments	5	3,001	3,001
		<u>281,723</u>	<u>233,629</u>
<b>Current assets</b>			
Debtors	6	1,781,995	957,963
Cash at bank and in hand		3,016	55,717
		<u>1,785,011</u>	<u>1,013,680</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,734,481)</u>	<u>(529,411)</u>
<b>Net current assets</b>		<u>50,530</u>	<u>484,269</u>
<b>Total assets less current liabilities</b>		<u>332,253</u>	<u>717,898</u>
<b>Creditors: amounts falling due after more than one year</b>	7	<u>(293,848)</u>	<u>-</u>
<b>Net assets</b>		<u>38,405</u>	<u>717,898</u>
<b>Capital and reserves</b>			
Called up share capital	8	14,618	14,618
Share premium reserve		604,491	604,491
Profit and loss account		<u>(580,704)</u>	<u>98,789</u>
<b>Total equity</b>		<u>38,405</u>	<u>717,898</u>

For the financial year ending 31 December 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' 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 Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 4 to 13 form an integral part of these financial statements.

# Mercato Metropolitano Ltd

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## Balance Sheet

as at 31 December 2019 (continued)

Registration number: 07759291

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 and in accordance with the provisions of FRS 102 Section 1A.

Further information on the prior year restatement is presented in Note 13.

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 Profit and Loss Account has been taken.

Approved and authorised by the Board on 23/12/2020 and signed on its behalf by:



Amedeo Claris-Delmedico  
Director

The notes on pages 4 to 13 form an integral part of these financial statements.

## Notes to the Financial Statements

for the Year Ended 31 December 2019

### 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 42 Newington Causeway, London, SE1 6DR.

### 2 Accounting policies

#### **Statement of compliance**

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.

#### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been presented in Pounds Sterling which is the functional currency of the Company.

The level of rounding is to the nearest Pound (£), unless otherwise stated.

#### **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.

#### **Going concern**

When considering going concern the Directors acknowledge that although the Company has incurred a loss of £679,493, it has positive net assets of £38,405. The Directors have considered the facilities available to the Company and are confident the facilities are adequate. The Group has confirmed its continued support for the business. The Directors maintain the opinion that the adoption of the Going Concern principle continues to be appropriate.

#### **Related party exemption**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group

#### **Turnover**

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 value added tax, returns, rebates and discounts.

## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 2 Accounting policies (continued)

#### **Government grants**

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Profit and Loss Account over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

#### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account, 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.

#### **(i) Current tax**

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.

#### **(ii) 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.

#### **Tangible assets**

Tangible assets are stated in the Balance Sheet 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 provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

#### *Asset class*

#### *Depreciation method and rate*

Land and buildings

10 years straight-line

Plant and machinery

7 years straight-line

Office equipment

3 years straight-line

## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 2 Accounting policies (continued)

#### **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.

#### **Investment in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **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.

#### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.



## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 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 lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Dividend income**

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

### 3 Employees and directors

The average number of employees employed by the Company (including Directors) during the year was 8 (2018: 9).

## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 4 Tangible assets

	<i>Land and buildings</i> £	<i>Plant and machinery</i> £	<i>Office equipment</i> £	<i>Total</i> £
<b>Cost</b>				
At 1 January 2019	-	356,794	1,490	358,284
Additions	72,358	12,262	37,909	122,529
At 31 December 2019	72,358	369,056	39,399	480,813
<b>Depreciation</b>				
At 1 January 2019	-	126,610	1,046	127,656
Charge for the year	7,236	58,464	8,735	74,435
At 31 December 2019	7,236	185,074	9,781	202,091
<b>Carrying amount</b>				
At 31 December 2019	65,122	183,982	29,618	278,722
At 31 December 2018	-	230,184	444	230,628

Included within the net book value of land and buildings above is £65,122 (2018: £nil) in respect of long leasehold land and buildings.

# Mercato Metropolitano Ltd

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## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 5 Investments

	2019 £	2018 £
Investments in subsidiaries	<u>3,001</u>	<u>3,001</u>
<i>Subsidiaries</i>		£
<b>Cost</b>		
At 1 January 2019		<u>3,001</u>
<b>Carrying amount</b>		
At 31 December 2019		<u>3,001</u>
At 31 December 2018		<u>3,001</u>

The Company's investments at the Balance Sheet date in the share capital of companies include the following:

#### MM E&C Ltd

Registered office: 42 Newington Causeway, London, SE1 6DR

Nature of business: Provision of community market services

Class of shares                      % holding

Ordinary                              100

	31.12.19 £	31.12.18 £
Aggregate capital and reserves	1,090,475	62,258
Profit for the financial year	<u>1,128,217</u>	<u>517,343</u>

# Mercato Metropolitano Ltd

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## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 5 Investments (continued)

#### MM Mayfair Ltd

Registered office: 42 Newington Causeway, London, SE1 6DR

Nature of business: Other food services

Class of shares                      % holding

Ordinary                              100

	31.12.19	30.04.19
	£	£
Aggregate capital and reserves	558,671	(1,757)
Profit/(loss) for the financial periods	<u>560,428</u>	<u>(2,757)</u>

#### MM Ilford Ltd

Registered office: 42 Newington Causeway, London, SE1 6DR

Nature of business: Licensed restaurant

Class of shares                      % holding

Ordinary                              100

	31.12.19	<i>As restated</i> 30.06.2019
	£	£
Aggregate capital and reserves	(17,089)	(2,127)
Loss for the financial periods	<u>(14,962)</u>	<u>(3,127)</u>

#### MM Factory (EP) Ltd

Registered office: 42 Newington Causeway, London, SE1 6DR

Nature of business: Other food services

Class of shares                      % holding

Ordinary                              100

	31.12.19
	£
Aggregate capital and reserves	919
Loss for the financial period	<u>(81)</u>

# Mercato Metropolitano Ltd

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## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 6 Debtors

	2019 £	As restated 2018 £
Accrued income	-	107,825
Amounts due from group undertakings	1,781,671	846,517
Other debtors	324	3,621
	<u>1,781,995</u>	<u>957,963</u>

Amounts due from group undertakings are interest free and repayable on demand.

### 7 Creditors

*Amounts falling due within one year*

	2019 £	2018 £
Finance lease liability	88,830	2,714
Trade creditors	46,728	91,546
Amounts due to group undertakings	1,439,887	371,468
Social security and other taxes	30,770	20,931
Pension liability	1,840	1,043
VAT	126,426	4,957
Accruals and deferred income	-	8,500
Other creditors	-	3,000
Corporation tax liability	-	25,252
	<u>1,734,481</u>	<u>529,411</u>

Amounts due to group undertakings are interest free and repayable on demand.

# Mercato Metropolitano Ltd

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## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 7 Creditors (continued)

#### *Amounts falling due after more than one year*

	2019 £	2018 £
Loans and borrowings	97,594	-
Finance lease liability	160,255	-
Deferred tax liability	35,999	-
	<u>293,848</u>	<u>-</u>

### 8 Share capital

#### *Allotted, called up and fully paid shares*

	No.	2019 £	No.	2018 £
Ordinary shares of £0.01 each	<u>1,461,818</u>	<u>14,618</u>	<u>1,461,818</u>	<u>14,618</u>

### 9 Pension and other schemes

#### *Defined contribution pension scheme*

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £6,458 (2018: £2,462).

Contributions totalling £1,840 (2018: £1,043) were payable to the scheme at the end of the year and are included in creditors.

### 10 Related party transactions

The Company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent or wholly owned subsidiaries within the group.

## Notes to the Financial Statements

for the Year Ended 31 December 2019 (continued)

### 11 Post balance sheet events

Post year-end the coronavirus pandemic became apparent, impacting both the profitability and cash flow of the Company. The actions put in place to mitigate the impact of COVID-19 will be continuously reviewed by the Directors and senior management team. All of these actions were taken post-year-end and are therefore not reflected in the financial statements at 31 December 2019.

### 12 Ultimate controlling party

The controlling party is Andrea Rasca.

### 13 Prior year restatement

The prior year restatement relates to transactions that were posted incorrectly when the prior year accounts were produced. Turnover was understated as it became apparent that it was accounted for as an intercompany transaction and administrative expenses were overstated due to amounts being posted to professional fees that should have been included in debtors. On discovery of these errors, the Company subsequently corrected the amounts in the current year accounts.

There has been an impact on both the Profit and Loss Account and the Balance Sheet. In respect of the 2018 published figures, due to the restatement, the profit has increased from £224,137 to £511,159 and similarly net assets increased from £430,876 to £717,898. The restatement has been outlined below.

Profit and Loss Account	As previously reported	Prior year adjustment	As restated
	£	£	£
Turnover	624,092	148,052	772,144
Administrative expenses	(857,861)	138,970	(718,891)
<b>Balance Sheet</b>	<b>As previously reported</b>	<b>Prior year adjustment</b>	<b>As restated</b>
	£	£	£
Debtors	670,941	287,022	957,963