

Unaudited Financial Statements for the Year Ended 30 September 2020

for

Mersenne Properties Limited

Contents of the Financial Statements  
for the Year Ended 30 September 2020

|                                   | Page |
|-----------------------------------|------|
| Company Information               | 1    |
| Statement of Financial Position   | 2    |
| Notes to the Financial Statements | 4    |
| Report of the Accountant          | 8    |

**DIRECTORS:**

R Laing  
Mrs S Laing

**SECRETARY:**

G J Owen

**REGISTERED OFFICE:**

The Beeches  
Checkley  
Hereford  
Herefordshire  
HR1 4ND

**REGISTERED NUMBER:**

09204508 (England and Wales)

**ACCOUNTANT:**

Giles Owen Chartered Accountant  
1 Croft Lane  
Temple Grafton  
Alcester  
Warwickshire  
B49 6PA

**Statement of Financial Position**  
**30 September 2020**

|  | Notes | 30.9.20<br>£      | £                  | 30.9.19<br>£      | £                  |
|--|-------|-------------------|--------------------|-------------------|--------------------|
| <b>FIXED ASSETS</b>                                  |       |                   |                    |                   |                    |
| Property Fixtures and Fittings , Plant and Equipment | 4     |                   | 35,419             |                   | 1,329              |
| Investment property                                  | 5     |                   | 18,075,000         |                   | 14,031,849         |
|  |       |                   | <u>18,110,419</u>  |                   | <u>14,033,178</u>  |
| <b>CURRENT ASSETS</b>                                |       |                   |                    |                   |                    |
| Inventories  |       | -                 |                    | 2,081,940         |                    |
| Debtors  | 6     | 342,623           |                    | 521,767           |                    |
| Cash at bank   |       | <u>313,312</u>    |                    | <u>1,485,745</u>  |                    |
|  |       | 655,935           |                    | 4,089,452         |                    |
| <b>CREDITORS</b>                                     |       |                   |                    |                   |                    |
| Amounts falling due within one year                  | 7     | <u>10,344,986</u> |                    | <u>11,423,935</u> |                    |
| <b>NET CURRENT LIABILITIES</b>                       |       |                   | <u>(9,689,051)</u> |                   | <u>(7,334,483)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>         |       |                   | 8,421,368          |                   | 6,698,695          |
| <b>CREDITORS</b>                                     |       |                   |                    |                   |                    |
| Amounts falling due after more than one year         | 8     |                   | (6,848,850)        |                   | (5,947,364)        |
| <b>PROVISIONS FOR LIABILITIES</b>                    |       |                   | <u>(158,628)</u>   |                   | <u>(20,602)</u>    |
| <b>NET ASSETS</b>                                    |       |                   | <u>1,413,890</u>   |                   | <u>730,729</u>     |
| <b>CAPITAL AND RESERVES</b>                          |       |                   |                    |                   |                    |
| Called up share capital                              |       |                   | 1                  |                   | 1                  |
| Revaluation reserve                                  | 10    |                   | 345,820            |                   | -                  |
| Retained earnings                                    | 10    |                   | <u>1,068,069</u>   |                   | <u>730,728</u>     |
| <b>SHAREHOLDERS' FUNDS</b>                           | 11    |                   | <u>1,413,890</u>   |                   | <u>730,729</u>     |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of 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 financial statements, so far as applicable to the company.
- (b)

Statement of Financial Position - continued  
30 September 2020

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 October 2020 and were signed on its behalf by:

R Laing - Director

Notes to the Financial Statements  
for the Year Ended 30 September 2020

1. **STATUTORY INFORMATION**

Mersenne Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with 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 financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**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.

**Tangible fixed assets**

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.

|                       |                           |
|-----------------------|---------------------------|
| Plant and machinery   | - 25% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |

**Investment property**

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognized in the income statement. Unrealized gains or losses (net of related deferred tax) are transferred from retained earnings to a separate revaluation reserve.

**Properties under construction**

Properties under construction are valued at the lower of cost and net realizable value.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognized in the period. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case tax is also recognized in other comprehensive income or directly in equity respectively.

Current tax is the amount of UK corporation tax payable in respect of the taxable profit for the year or prior years calculated using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognized in financial statements.

Deferred tax is recognized on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognized when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property that is measured at fair value is calculated using the tax rates and allowances that apply to the sale of the asset.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2020

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 1 (2019 - NIL ) .

4. **PROPERTY FIXTURES AND FITTINGS , PLANT AND EQUIPMENT**

Plant and  
machinery  
etc  
£

**COST**

At 1 October 2019

1,772

Additions

45,896

At 30 September 2020

47,668

**DEPRECIATION**

At 1 October 2019

443

Charge for year

11,806

At 30 September 2020

12,249

**NET BOOK VALUE**

At 30 September 2020

35,419

At 30 September 2019

1,329

5. **INVESTMENT PROPERTY**

Total  
£

**FAIR VALUE**

At 1 October 2019

14,031,849

Additions

3,555,683

Revaluations

487,468

At 30 September 2020

18,075,000

**NET BOOK VALUE**

At 30 September 2020

18,075,000

At 30 September 2019

14,031,849

Fair value at 30 September 2020 is represented by:

Valuation in 2020

£

487,468

Cost

17,587,532

18,075,000

Notes to the Financial Statements - continued  
for the Year Ended 30 September 2020

**5. INVESTMENT PROPERTY - continued**

If Investment properties had not been revalued they would have been included at the following historical cost:

|      | 30.9.20           | 30.9.19  |
|------|-------------------|----------|
|      | £                 | £        |
| Cost | <u>17,587,532</u> | <u>-</u> |

Investment properties were valued on an open market basis on 30 September 2020 by Mr Richard Laing .

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

|               | 30.9.20        | 30.9.19        |
|---------------|----------------|----------------|
|               | £              | £              |
| Trade debtors | 277,183        | 112,137        |
| Other debtors | <u>65,440</u>  | <u>409,630</u> |
|               | <u>342,623</u> | <u>521,767</u> |

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

|  | 30.9.20           | 30.9.19           |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Bank loans and overdrafts (see note 9) | 206,600           | 1,611,060         |
| Trade creditors                        | 25,950            | 397,056           |
| Amounts owed to group undertakings     | 9,744,399         | 9,174,399         |
| Taxation and social security           | 109,539           | 48,600            |
| Other creditors                        | <u>258,498</u>    | <u>192,820</u>    |
|  | <u>10,344,986</u> | <u>11,423,935</u> |

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

|                         | 30.9.20          | 30.9.19          |
|-------------------------|------------------|------------------|
|                         | £                | £                |
| Bank loans (see note 9) | <u>6,848,850</u> | <u>5,947,364</u> |

**9. LOANS**

An analysis of the maturity of loans is given below:

|   | 30.9.20          | 30.9.19          |
|---|------------------|------------------|
|   | £                | £                |
| Amounts falling due within one year or on demand: |                  |                  |
| Bank loans  | <u>206,600</u>   | <u>1,611,060</u> |
| Amounts falling due between one and two years:    |                  |                  |
| Bank loans - 1-2 years                            | <u>2,006,600</u> | <u>424,284</u>   |
| Amounts falling due between two and five years:   |                  |                  |
| Bank loans - 2-5 years                            | <u>4,842,250</u> | <u>5,523,080</u> |



Notes to the Financial Statements - continued  
for the Year Ended 30 September 2020

9. **LOANS - continued**

Bank loans payable at the year end amounted to £7,055,450 (2019 - £7,558,424).

The loans are secured by fixed and floating charges over the company's investment properties. Interest rates payable on the principal amount of the mortgages range from 3.33% to 4.05% and are payable to the funders on a quarterly basis.

10. **RESERVES**

|   | Retained<br>earnings<br>£ | Revaluation<br>reserve<br>£ | Totals<br>£      |
|---|---------------------------|-----------------------------|------------------|
| At 1 October 2019   | 730,728                   | -                           | 730,728          |
| Profit for the year   | 683,161                   |                             | 683,161          |
| Transfer in respect of<br>property revaluation gains<br>(net of deferred tax) | (345,820)                 | 345,820                     | -                |
| At 30 September 2020  | <u>1,068,069</u>          | <u>345,820</u>              | <u>1,413,889</u> |

The retained earnings reserve represents cumulative profits and losses net of transfers of investment property revaluations, dividends paid and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of investment properties which are revalued to fair value at each reporting date.

11. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|  | 30.9.20<br>£     | 30.9.19<br>£   |
|--|------------------|----------------|
| Profit for the financial year              | <u>683,161</u>   | <u>211,235</u> |
| <b>Net addition to shareholders' funds</b> | <u>683,161</u>   | <u>211,235</u> |
| Opening shareholders' funds                | <u>730,729</u>   | <u>519,494</u> |
| <b>Closing shareholders' funds</b>         | <u>1,413,890</u> | <u>730,729</u> |

**The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Statement of Financial Position. Readers are cautioned that the Statement of Comprehensive Income and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.**

As described on the Statement of Financial Position you are responsible for the preparation of the financial statements for the year ended 30 September 2020 set out on pages three to ten and you consider that the company is exempt from an audit.

In accordance with your instructions, I have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to me.

Giles Owen Chartered Accountant  
1 Croft Lane  
Temple Grafton  
Alcester  
Warwickshire  
B49 6PA

Date: .....

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.