

**Company Registration No. 09478657 (England and Wales)**

**Mercury International UK Limited**

**Unaudited financial statements  
for the year ended 31 December 2019**

**Pages for filing with the Registrar**

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**Mercury International UK Limited**

**Statement of financial position  
As at 31 December 2019**

	Notes	£	2019 £	2018 £
<b>Fixed assets</b>				
Tangible assets	3		21,148	741
<b>Current assets</b>				
Debtors	4	639,678	804,572	
Cash at bank and in hand		209,291	183,241	
		<u>848,969</u>	<u>987,813</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(612,364)</u>	<u>(820,823)</u>	
<b>Net current assets</b>			236,605	166,990
<b>Total assets less current liabilities</b>			<u>257,753</u>	<u>167,731</u>
<b>Provisions for liabilities</b>	6		<u>(3,595)</u>	-
<b>Net assets</b>			<u>254,158</u>	<u>167,731</u>
<b>Capital and reserves</b>				
Called up share capital	7		1	1
Profit and loss reserves			<u>254,157</u>	<u>167,730</u>
<b>Total equity</b>			<u>254,158</u>	<u>167,731</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The directors acknowledge their 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 year in question in accordance with section 476.

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

**Mercury International UK Limited**

**Statement of financial position (continued)**  
**As at 31 December 2019**

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The financial statements were approved by the board of directors and authorised for issue on ~~September 21, 2020~~ <sup>September 24, 2020</sup> and are signed on its behalf by:



Anthony Cuccurullo  
Director

**Company Registration No. 09478657**

## **1 Accounting policies**

### **Company information**

Mercury International UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71 Queen Victoria Street, London, EC4V 4BE.

### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of 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 FRS 102 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. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and is fully supported by fellow group members. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for professional services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Revenue is recognised at the date the service is supplied.

### **1.4 Tangible fixed assets**

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	Straight line over 3 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

**1 Accounting policies (continued)**

**1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment losses are charged to the income statement.

**1.6 Cash at bank and in hand**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.7 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 in the company's statement of financial position 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 debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

***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.

**1 Accounting policies (continued)**

***Basic financial liabilities***

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**1.9 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**1 Accounting policies (continued)**

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was 16 (2018 - 12).

**Mercury International UK Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2019**

**3 Tangible fixed assets**

	<b>Computer equipment</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2019	1,569
Additions	22,475
	<u>24,044</u>
At 31 December 2019	<u>24,044</u>
<b>Depreciation and impairment</b>	
At 1 January 2019	828
Depreciation charged in the year	2,068
	<u>2,896</u>
At 31 December 2019	<u>2,896</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>21,148</u>
At 31 December 2018	<u>741</u>

**4 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	485,008	667,048
Other debtors	76,204	53,871
Prepayments and accrued income	1,548	24,253
	<u>562,760</u>	<u>745,172</u>
	<u>562,760</u>	<u>745,172</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	76,918	48,800
Deferred tax asset	-	10,600
	<u>76,918</u>	<u>59,400</u>
	<u>76,918</u>	<u>59,400</u>
<b>Total debtors</b>	<u>639,678</u>	<u>804,572</u>
	<u>639,678</u>	<u>804,572</u>



Notes to the financial statements (continued)

For the year ended 31 December 2019

5 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	-	6,390
Amounts owed to group undertakings	503,159	503,651
Corporation tax	14,301	-
Other creditors	23,075	16,118
Accruals and deferred income	71,829	294,664
	<u>612,364</u>	<u>820,823</u>

6 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019	Liabilities 2018	Assets 2019	Assets 2018
Balances:	£	£	£	£
Accelerated capital allowances	3,595	-	-	(126)
Short term timing differences	-	-	-	2,102
Losses and other deductions	-	-	-	8,624
	<u>3,595</u>	<u>-</u>	<u>-</u>	<u>10,600</u>
<b>Movements in the year:</b>				<b>2019</b>
				<b>£</b>
Asset at 1 January 2019				(10,600)
Charge to profit or loss				14,195
				<u>3,595</u>
Liability at 31 December 2019				<u>3,595</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2019**

**7 Called up share capital**

	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

**8 Events after the reporting date**

A strain of coronavirus (COVID-19) which was classified as a pandemic by the World Health Organization on 11 March 2020 has been impacting countries globally. The potential impacts from COVID-19 remain uncertain on economic conditions, businesses and the public relations industry.

The directors have considered the impact of the pandemic and has measures in place to both protect revenue and control costs. They are therefore confident in the company's ability to continue as a going concern.

**9 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019	2018
	£	£
Land and buildings	717,899	488,000
	<u>717,899</u>	<u>488,000</u>

**10 Related party transactions**

**Transactions with related parties**

During the year, a company under common control incurred expenses on behalf of the company amounting to £769,186 (2018: £642,247). During the year, Mercury International UK Limited also incurred expenses on behalf of the company under common control amounting to £238,846 (2018: £204,120). These transactions were net off against each other and £530,832 was repaid during the year (2018: £nil). At the year end, the company owed £503,159 (2018: £503,651) to the connected company.

The company has taken advantage of the exemption to disclose related party transactions with companies that are wholly owned within the group.

**11 Parent company**

The immediate parent company is Highstake 11 LLC and the ultimate parent company is MSG Ventures V LLC. Both companies are incorporated in the United States. In the opinion of the directors there is no one ultimate controlling party.