

Financial Statements
for the Year Ended 31st March 2020
for
The Merchant Vintners Company Limited

Contents of the Financial Statements
for the year ended 31st March 2020

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

The Merchant Vintners Company Limited

Company Information
for the year ended 31st March 2020

DIRECTORS: J.J. Eustace
J.J. Tanner
J.C. Townend
N. Hillman
A.A. Cleary
M.E. Trease

SECRETARY: A.M. Sidebottom

REGISTERED OFFICE: c/o House of Townend
Wyke Way
Melton West Industrial Estate
Melton
East Yorkshire
HU14 3BQ

REGISTERED NUMBER: 00911202 (England and Wales)

AUDITORS: cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

BANKERS: HSBC PLC
3-4 Jameson Street
Hull
East Yorkshire
HU1 3JX

SOLICITORS: Andrew Jackson
Marina Court
Castle Street
Hull
East Yorkshire
HU1 1TJ

The Merchant Vintners Company Limited (Registered number: 00911202)

Balance Sheet
31st March 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 6,183 | | 602 |
| CURRENT ASSETS | | | | | |
| Stocks | | 1,743,265 | | 1,709,398 | |
| Debtors | 5 | 394,348 | | 510,976 | |
| Cash at bank and in hand | | 189,192 | | 177,009 | |
| | | <u>2,326,805</u> | | <u>2,397,383</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 6 | <u>1,287,513</u> | | <u>1,353,133</u> | |
| NET CURRENT ASSETS | | | <u>1,039,292</u> | | <u>1,044,250</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,045,475 | | 1,044,852 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 7 | | (294,705) | | (318,880) |
| PROVISIONS FOR LIABILITIES | 9 | | (1,175) | | (114) |
| NET ASSETS | | | <u>749,595</u> | | <u>725,858</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 10 | | 44,000 | | 40,000 |
| Capital redemption reserve | | | 17,000 | | 17,000 |
| Retained earnings | | | 688,595 | | 668,858 |
| SHAREHOLDERS' FUNDS | | | <u>749,595</u> | | <u>725,858</u> |

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 7th January 2021 and were signed on its behalf by:

J.J. Tanner - Director

J.C. Townend - Director

Notes to the Financial Statements
for the year ended 31st March 2020

1. **STATUTORY INFORMATION**

The Merchant Vintners Company 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, having regard to the levels of the company's reserves and the trading position up to the date of this report. They believe that the company is well placed to manage its business risks successfully despite the uncertain economic outlook due to the coronavirus pandemic.

The directors have therefore continued to adopt the going concern basis in preparing these annual financial statements.

Turnover

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT. Turnover is recognised when the goods have been dispatched.

Tangible fixed assets

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

Plant and machinery etc - 20% on cost

Stocks

Stock is valued at the lower of the average cost and net realisable value. The average cost is calculated by including all direct expenditure and a proportion of fixed and variable overheads. The average cost is updated upon delivery of each order.

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.

Notes to the Financial Statements - continued
for the year ended 31st March 2020

2. **ACCOUNTING POLICIES - continued**

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. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 3 (2019 - 3) .

4. **TANGIBLE FIXED ASSETS**

| | Plant and machinery etc £ |
|------------------------|--|
| COST | |
| At 1st April 2019 | 11,953 |
| Additions | 6,811 |
| Disposals | <u>(7,942)</u> |
| At 31st March 2020 | <u>10,822</u> |
| DEPRECIATION | |
| At 1st April 2019 | 11,351 |
| Charge for year | 1,072 |
| Eliminated on disposal | <u>(7,784)</u> |
| At 31st March 2020 | <u>4,639</u> |
| NET BOOK VALUE | |
| At 31st March 2020 | <u>6,183</u> |
| At 31st March 2019 | <u>602</u> |

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

| | 2020 | 2019 |
|---------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 354,394 | 479,699 |
| Other debtors | 12,091 | 11,397 |
| Prepayments | <u>27,863</u> | <u>19,880</u> |
| | <u>394,348</u> | <u>510,976</u> |

The Merchant Vintners Company Limited (Registered number: 00911202)

Notes to the Financial Statements - continued
for the year ended 31st March 2020

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

| | 2020 | 2019 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 590,807 | 202,747 |
| Trade creditors | 572,576 | 986,401 |
| Taxation | 4,451 | 7,197 |
| Social security and other taxes | 2,908 | 2,385 |
| Other creditors | 43,681 | 52,872 |
| Accrued expenses | 73,090 | 101,531 |
| | <u>1,287,513</u> | <u>1,353,133</u> |

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

| | 2020 | 2019 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Shareholders' unsecured loans | 84,705 | 78,880 |
| Convertible loan stock | 210,000 | 240,000 |
| | <u>294,705</u> | <u>318,880</u> |

Amounts falling due in more than five years:

| | | |
|---|----------------|----------------|
| Repayable otherwise than by instalments | | |
| Shareholders' unsecured loans | 84,705 | 78,880 |
| Convertible loan stock | 210,000 | 240,000 |
| | <u>294,705</u> | <u>318,880</u> |

8. **SECURED DEBTS**

The following secured debts are included within creditors:

| | 2020 | 2019 |
|-----------------|----------------|----------------|
| | £ | £ |
| Bank overdrafts | <u>590,807</u> | <u>202,747</u> |

The bank overdraft is secured by a debenture including fixed and floating charges over the assets of the company.

9. **PROVISIONS FOR LIABILITIES**

| | 2020 | 2019 |
|--------------------------------|--------------|------------|
| | £ | £ |
| Deferred tax | | |
| Accelerated capital allowances | <u>1,175</u> | <u>114</u> |

Notes to the Financial Statements - continued
for the year ended 31st March 2020

9. **PROVISIONS FOR LIABILITIES - continued**

| | Deferred tax |
|--|-------------------------|
| | £ |
| Balance at 1st April 2019 | 114 |
| Charge to Income Statement during year | <u>1,061</u> |
| Balance at 31st March 2020 | <u>1,175</u> |

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2020 £ | 2019 £ |
|----------------------------|----------|-------------------|---------------|---------------|
| 44,000 (2019 - 40,000) | Ordinary | £1 | <u>44,000</u> | <u>40,000</u> |

4,000 Ordinary shares of £1 were issued during the year for cash of £ 4,000 .

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

The Report of the Auditors was unqualified.

Alan Brocklehurst (Senior Statutory Auditor)
for and on behalf of cbaSadofskys

12. **RELATED PARTY DISCLOSURES**

Rebates payable to the company's members for the year amounted to £nil (2019 - £35,000).

13. **POST BALANCE SHEET EVENTS**

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity and the company's business in various significant ways:

- The reduction of economic activity has resulted in a significant reduction in sales from mid-March 2020.
- Due to government measures taken, two-thirds of our staff were placed on furlough from April to July 2020.

As a result of these effects our cumulative revenue in the first 3 months of the 2020/21 financial year was approximately 53% lower than our 2019/20 revenues in the same period, with the major negative impact being in April.

Revenues have recovered in the second quarter of the 2020/21 financial year, with turnover for that period actually being 5% higher than the same period in 2019/20.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity as a result of the second wave of coronavirus, the company might experience further negative results in 2020/21. The exact impact on our activities in the remainder of 2020/21 and thereafter cannot be predicted, but the directors are confident that the company is well placed to weather the storm due to efficiencies that have been made over the last twelve months.

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.