

# REGISTRAR OF COMPANIES

REGISTERED NUMBER: 2396197

MERLIN COMPONENTS (LONDON) LIMITED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 1997

Bland Baker,  
Chartered Accountants and  
Registered Auditor,  
21 Lodge Lane,  
Grays,  
Essex.  
RM17 5RY.



**MERLIN COMPONENTS (LONDON) LIMITED**

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FOR THE YEAR ENDED 31 MARCH 1997**

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**MERLIN COMPONENTS (LONDON) LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 1997**

**DIRECTORS:** J.B. Allan  
B. Gissing

**SECRETARY:** J.B. Allan

**REGISTERED OFFICE:** Unit 26  
Barking Industrial Park  
Alfreds Way  
Barking  
Essex  
IG11 OTJ

**REGISTERED NUMBER:** 2396197

**AUDITORS:** Bland Baker  
Chartered Accountants and  
Registered Auditor  
21 Lodge Lane  
Grays  
Essex  
RM17 5RY

# MERLIN COMPONENTS (LONDON) LIMITED

## REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the year ended 31 March 1997.

### PRINCIPAL ACTIVITY

The principal activity of the company was that of motor part dealers.

### DIRECTORS

The directors in office during the year and their beneficial interests in the ordinary share capital of the company were as follows:

	1997	1996
J.B. Allan	15,000	15,000
B. Gissing	15,000	15,000

### CHARITABLE DONATION

During the year the company made a charitable donation of £425.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

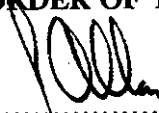
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

The auditors, Bland Baker, will be proposed for re-appointment in respect of the forthcoming year.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### BY ORDER OF THE BOARD

  
.....  
J.B. ALLAN - SECRETARY

Date 21/7/97 .....

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
MERLIN COMPONENTS (LONDON) LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

..... *Bland Baker* .....  
Bland Baker  
Chartered Accountants and  
Registered Auditor  
21 Lodge Lane  
Grays  
Essex  
RM17 5RY

Date..... *22/7/97* .....

**MERLIN COMPONENTS (LONDON) LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1997**

	Notes	1997	1996
		£	£
<b>TURNOVER</b>	2	1,019,559	1,014,458
Cost of sales		<u>679,599</u>	<u>666,570</u>
<b>GROSS PROFIT</b>		339,960	347,888
Distribution costs		17,255	18,764
Administrative expenses		<u>233,963</u>	<u>226,574</u>
		<u>251,218</u>	<u>245,338</u>
<b>OPERATING PROFIT BEFORE INTEREST</b>	3	88,742	102,550
Interest receivable and similar income		<u>1,612</u>	<u>1,662</u>
		90,354	104,212
Interest payable and similar charges		<u>1,211</u>	<u>212</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		89,143	104,000
Tax on profit on ordinary activities		<u>21,881</u>	<u>27,005</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		67,262	76,995
Ordinary dividend on equity shares		<u>60,320</u>	<u>71,000</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		6,942	5,995
Retained profit brought forward		<u>41,402</u>	<u>35,407</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><u>£48,344</u></u>	<u><u>£41,402</u></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the current year and previous year.

The notes form part of these financial statements


**MERLIN COMPONENTS (LONDON) LIMITED**

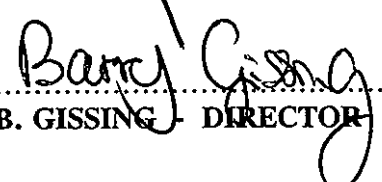
**BALANCE SHEET  
AS AT 31 MARCH 1997**

	Notes	1997 £	1996 £
<b>FIXED ASSETS:</b>			
Tangible assets	4	33,134	36,097
<b>CURRENT ASSETS:</b>			
Stocks	5	92,350	101,822
Debtors	6	194,678	196,605
Cash at bank and in hand		<u>62,964</u>	<u>20,743</u>
		349,992	319,170
<b>CREDITORS:</b> Amounts falling due within one year	7	<u>304,782</u>	<u>283,865</u>
<b>NET CURRENT ASSETS:</b>		<u>45,210</u>	<u>35,305</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u>£78,344</u>	<u>£71,402</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	9	30,000	30,000
Profit and loss account		<u>48,344</u>	<u>41,402</u>
Shareholders' funds	11	<u>£78,344</u>	<u>£71,402</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

APPROVED BY THE BOARD ON 21/7/97.....

  
.....  
J.B. ALLAN - DIRECTOR

  
.....  
B. GISSING - DIRECTOR

The notes form part of these financial statements

# MERLIN COMPONENTS (LONDON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

### 1. ACCOUNTING POLICIES

#### Accounting convention

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

#### Cash flow

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### 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	-	25% on reducing balance
Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	25% on reducing balance
Computer equipment	-	25% on reducing balance

#### Stocks

Stock is valued at the lower of cost and net realisable value.

#### Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

### 2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company which arose wholly within the United Kingdom..

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1997	1996
	£	£
Depreciation	11,043	13,227
Auditors' remuneration	3,530	4,075
Directors' emoluments	69,003	66,000
(Both directors are members of the company's defined contribution pension scheme)		

**MERLIN COMPONENTS (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997**

**4. TANGIBLE FIXED ASSETS**

	<u>Plant and machinery etc.</u>
	£
<b>COST:</b>	
At 1 April 1996	73,024
Additions	<u>8,080</u>
At 31 March 1997	<u>81,104</u>
<b>DEPRECIATION:</b>	
At 1 April 1996	36,927
Charge for year	<u>11,043</u>
At 31 March 1997	<u>47,970</u>
<b>NET BOOK VALUE:</b>	
At 31 March 1997	<u>£33,134</u>
At 31 March 1996	<u>£36,097</u>

**5. STOCKS**

	1997	1996
	£	£
Stocks	<u>92,350</u>	<u>101,822</u>

**6. DEBTORS**

	1997	1996
	£	£
Trade debtors	193,565	191,321
Other debtors	-	4,075
Prepayments	<u>1,113</u>	<u>1,209</u>
	<u>194,678</u>	<u>196,605</u>

**MERLIN COMPONENTS (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997**

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

	1997	1996
	£	£
Trade creditors	137,858	123,604
Hire purchase contracts (secured) (see note 8)	-	1,800
Directors current accounts	91,415	107,183
Loan from company's pension scheme	30,000	6,500
Other taxes and social security	20,332	22,983
Taxation	21,881	17,255
Accruals	<u>3,296</u>	<u>4,540</u>
	<u>304,782</u>	<u>283,865</u>

**8. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

	1997	1996
	£	£
Amounts repayable:		
Within one year	<u>-</u>	<u>1,800</u>
Current obligations	<u>-</u>	<u>1,800</u>

**9.. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	1997	1996
		value:	£	£
40,000	Ordinary shares	£1	<u>40,000</u>	<u>40,000</u>
Allotted and fully paid:				
Number:	Class:	Nominal		
		value:	£	£
30,000	Ordinary shares	£1	<u>30,000</u>	<u>30,000</u>

**10. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme on behalf of the directors. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge amounted to £36,600 (1996 - £42,000). There were no unpaid contributions at the balance sheet date.

**MERLIN COMPONENTS (LONDON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 1997**

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

	1997	1996
	£	£
Profit for the financial year	67,262	76,995
Dividends	<u>(60,320)</u>	<u>(71,000)</u>
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>6,942</b>	<b>5,995</b>
Opening shareholders' funds	<u>71,402</u>	<u>65,407</u>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b><u>78,344</u></b>	<b><u>71,402</u></b>
 Equity interests	 <u>78,344</u>	 <u>71,402</u>

**12. DISCLOSURES UNDER FRS 8**

**Ultimate controlling party**

The company is controlled by the directors, each of whom holds one half of the shares in issue.

**Transactions with related party**

- (a) The directors have made loans to the company which are unsecured, interest-free and repayable on demand. During the year the company made a net repayment of £15,768.

	£
J.B. Allan balance reduced by	15,728
B. Gissing balance reduced by	<u>40</u>
	<b><u>£15,768</u></b>

- (b) During the year the company's pension scheme (sole beneficiaries, the directors) increased its unsecured loan to the company from £6,500 to £30,000. The loan bears interest at a commercial rate.

**Balances with related parties at 31 March 1997**

- (a) Directors

J.B. Allan	39,199
B. Gissing	<u>52,216</u>

	91,415
(b) Pension scheme	<u>30,000</u>
	<b><u>£121,415</u></b>