

REGISTRAR
OF
COMPANIES

REGISTERED NUMBER: 2396197

MERLIN COMPONENTS (LONDON) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2000

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



MERLIN COMPONENTS (LONDON) LIMITED

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FOR THE YEAR ENDED 31 MARCH 2000**

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MERLIN COMPONENTS (LONDON) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2000**

DIRECTOR: J.B. Allan

SECRETARY: Mrs M.E. Allan

REGISTERED OFFICE: Unit 26
Barking Industrial Park
Alfreds Way
Barking
Essex
IG11 0TJ

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 DIRECTOR

The director presents his report with the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company was motor part dealers

DIRECTOR

The director in office during the year and his beneficial interest in the ordinary share capital of the company was as follows:

	2000	1999
J.B. Allan	30,000	30,000

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:

Mary Ellen Allan
MARY ELLEN ALLAN - SECRETARY

23/6/2000

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

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described on page 2 the company's director is 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.

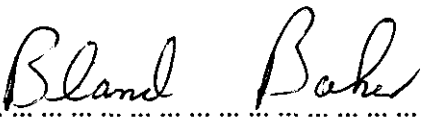
Basis of opinion

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 judgements made by the director 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

..... 

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

Date 24/6/2000

MERLIN COMPONENTS (LONDON) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000**

	Notes	2000	1999
		£	£
TURNOVER	2	858,187	1,094,325
Cost of sales		<u>561,533</u>	<u>711,315</u>
GROSS PROFIT		296,654	383,010
Distribution costs		20,993	22,533
Administrative expenses		<u>193,183</u>	<u>218,500</u>
		<u>214,176</u>	<u>241,033</u>
OPERATING PROFIT BEFORE INTEREST	3	82,478	141,977
Interest receivable and similar income		<u>1,505</u>	<u>2,029</u>
		83,983	144,006
Interest payable and similar charges		<u>1,786</u>	<u>1,663</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		82,197	142,343
Tax on profit on ordinary activities	4	<u>16,638</u>	<u>29,763</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		65,559	112,580
Dividends on equity shares		<u>40,000</u>	<u>40,000</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		25,559	72,580
Retained profit brought forward		<u>135,362</u>	<u>62,782</u>
RETAINED PROFIT CARRIED FORWARD		<u>£160,921</u>	<u>£135,362</u>

The notes form part of these financial statements

MERLIN COMPONENTS (LONDON) LIMITED

**BALANCE SHEET
31 MARCH 2000**

		2000		1999 (As restated - note 14)	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		32,391		39,661
CURRENT ASSETS:					
Stocks		96,460		114,140	
Debtors	6	164,866		206,717	
Cash at bank		<u>64,265</u>		<u>68,745</u>	
		325,591		389,602	
CREDITORS: Amounts falling due within one year	7	<u>163,641</u>		<u>239,841</u>	
NET CURRENT ASSETS:			<u>161,950</u>		<u>149,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			194,341		189,422
CREDITORS: Amounts falling due after more than one year	8		<u>3,420</u>		<u>24,060</u>
			<u>£190,921</u>		<u>£165,362</u>
CAPITAL AND RESERVES:					
Called up share capital	9		30,000		30,000
Profit and loss account			<u>160,921</u>		<u>135,362</u>
Shareholders' funds			<u>£190,921</u>		<u>£165,362</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 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

APPROVED BY THE BOARD ON 23/6/2000

.....
J.B. ALLAN DIRECTOR

The notes form part of these financial statements

MERLIN COMPONENTS (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 director, 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:

	2000	1999
	£	£
Depreciation	9,769	10,412
Auditors' remuneration	2,125	4,050
Directors' emoluments	<u>33,325</u>	<u>32,247</u>

The director has retirement benefits accruing under a money purchase pension scheme.
(1999 - likewise)

MERLIN COMPONENTS (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000**

4. TAXATION

	2000	1999
	£	£
Corporation tax at 20% (1999 - 21%)	<u>16,638</u>	<u>29,763</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST:	
At 1 April 1999	98,567
Additions	7,426
Disposals	<u>(11,400)</u>
At 31 March 2000	<u>94,593</u>
DEPRECIATION:	
At 1 April 1999	58,906
Charge for year	9,769
Disposals	<u>(6,473)</u>
At 31 March 2000	<u>62,202</u>
NET BOOK VALUE:	
At 31 March 2000	<u>£32,391</u>
At 31 March 1999	<u>£39,661</u>

6. DEBTORS

	2000	1999
	£	£
Trade debtors	140,498	205,741
Directors loan account (note)	23,367	-
Prepayments	<u>1,001</u>	<u>976</u>
	<u>164,866</u>	<u>206,717</u>

Note

The maximum amount due from the director during the year was £29,659. The balance represented an unsecured, interest free, loan repayable on demand.

MERLIN COMPONENTS (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000**

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

	2000	1999 (As restated, note 14)
	£	£
Trade creditors	83,113	144,218
Directors current account	-	2,157
Other creditors	29,762	35,049
Loan from company pension scheme (secured)	25,000	30,000
Other taxes and social security	5,899	4,044
Taxation	16,658	19,763
Accruals	<u>3,209</u>	<u>4,610</u>
	<u>163,641</u>	<u>239,841</u>

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

	2000	1999 (As restated, note 14)
	£	£
Other creditors	<u>3,420</u>	<u>24,060</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2000	1999
			£	£
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 director. The assets of the scheme are held separately from those of the company, in an independently administered fund. The pension cost charge was £20,000 (1999 - £13,600). 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 2000

11. TRANSACTIONS WITH DIRECTOR

The company paid rent of £19,080 (1999 - £19,080) to the director for the use of the premises

12. RELATED PARTY DISCLOSURES

Controlling party

The company is controlled by the director who holds 51% of the ordinary shares in issue.

Transactions with related parties

(a) The director:

During the year the director was repaid the balance of his loan to the company, and received a loan from the company of £23,367 (1999 - reduced his loan to the company by £52,843). Terms of the loan at note (6).

During the year the company rented its premises from the director at a cost of £19,080 (1999 - £19,080).

(b) Former director B.J. Gissing:

During the year his loan to the company was reduced by £20,640 (1999 - £17,200).

(c) The company pension scheme:

The company repaid £5,000 of the loan from the fund (1999 - received a loan of £30,000). The loan carries interest at a commercial rate. Interest charge in the period was £1,786 (1999 - £1,663).

Balances with related parties

At 31 March 2000 the company had the following balances:

	2000 £	1999 £
Creditors:		
J.B. Allan - director	-	2,157
B.J. Gissing - former director	24,060	44,700
Company pension scheme	25,000	30,000
Debtors:		
J.B. Allan - director	23,367	-

13. DEFERRED TAXATION

	2000 £	1999 £
Unprovided potential liability arising from accelerated capital allowances	<u>1,430</u>	<u>1,670</u>

MERLIN COMPONENTS (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000**

14. RECLASSIFICATION OF COMPARATIVE AMOUNTS

In the previous year a certain liability reported within other creditors was included wholly within amounts falling due within one year. As the repayment of the liability was to be made over a period of three years the director has decided that the liability will now be divided between amounts falling due within one year and long-term liabilities. The comparative amounts have been restated accordingly.

	As reported <u>originally</u> £	As restated <u>£</u>	Change <u>£</u>
Creditors - amounts falling due within one year	263,901	239,841	(24,060)
Creditors - amounts falling due after more than one year	-	24,060	24,060

The changes have no effect upon the net assets or the reported profit for the year ended 31 March 1999.