

Unaudited Financial Statements
for the Year Ended 31 December 2020
for
Merlin Network (Scotland) Limited

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for the Year Ended 31 December 2020**

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Merlin Network (Scotland) Limited

**Company Information
for the Year Ended 31 December 2020**

DIRECTOR: A Gray

REGISTERED OFFICE: Merlin Way
Hillend Industrial Park
Dalgety Bay
Dunfermline
Fife
KY11 9JY

REGISTERED NUMBER: SC419217 (Scotland)

ACCOUNTANTS: Henderson & Company
73 Union Street
Greenock
Renfrewshire
PA16 8BG

Balance Sheet
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		462,623		572,926
CURRENT ASSETS					
Stocks		210,394		150,066	
Debtors	5	966,621		911,143	
Cash at bank		<u>757,607</u>		<u>484,104</u>	
		1,934,622		1,545,313	
CREDITORS					
Amounts falling due within one year	6	<u>909,628</u>		<u>714,450</u>	
NET CURRENT ASSETS			<u>1,024,994</u>		<u>830,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,487,617		1,403,789
CREDITORS					
Amounts falling due after more than one year	7		(189,034)		(239,000)
PROVISIONS FOR LIABILITIES			<u>(82,207)</u>		<u>(99,693)</u>
NET ASSETS			<u>1,216,376</u>		<u>1,065,096</u>
CAPITAL AND RESERVES					
Called up share capital			10,000		10,000
Retained earnings			<u>1,206,376</u>		<u>1,055,096</u>
SHAREHOLDERS' FUNDS			<u>1,216,376</u>		<u>1,065,096</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- 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.

Balance Sheet - continued
31 December 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 Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 28 July 2021 and were signed by:

A Gray - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

Merlin Network (Scotland) Limited is a private company, limited by shares, registered in Scotland. 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.

The company continues to trade profitably post year end and the Director continues to review the Covid 19 situation on an ongoing basis. The group has secured overdraft facilities which the Director believes will be sufficient to ensure that adequate cashflow resources are in place to ensure uninterrupted trading for the foreseeable future. The Director therefore considers the going concern basis to be applicable.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over their expected useful lives as follows:

Freehold property - 10-25% straight-line

Plant and machinery - 15% straight-line and 25% reducing balance

Fixtures and fittings - 25-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate or if there is an indication of significant change since the last reporting date.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of assets received or receivable. Grants are classified as relating to either revenue or assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset.

Stocks

Stocks are stated at the lower of cost and estimated selling price. Cost includes all costs of purchase and other costs incurred in bringing the stock to its present location and condition.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised. The amounts of any write downs to stock to net realisable value and all losses of stocks are recognised as an expense in the period in which the write down or loss occurs.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Taxation

The tax expense for the year comprises current and deferred tax.

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

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount for deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Hire purchase and leasing commitments

Assets held under finance lease and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straightline basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the company in independently administered funds.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position bank overdrafts are shown within borrowings in current liabilities.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value and thereafter stated at amortised cost using the effective interest method, less any impairment.

Creditors

Basic financial instruments, including preference shares that are classified as debt, are measured at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is initially measured at fair value and subsequently at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 36 (2019 - 38) .

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2020				
and 31 December 2020	74,525	1,061,624	44,307	1,180,456
DEPRECIATION				
At 1 January 2020	56,536	514,663	36,331	607,530
Charge for year	12,825	97,318	160	110,303
At 31 December 2020	69,361	611,981	36,491	717,833
NET BOOK VALUE				
At 31 December 2020	5,164	449,643	7,816	462,623
At 31 December 2019	17,989	546,961	7,976	572,926

The net book value of other tangible fixed assets includes £350,312 (2019 - £404,227) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £53,915 (2019 - £39,415) for the year.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	471,667	403,488
Amounts owed by group undertakings	463,465	469,860
Other debtors	31,489	37,795
	<u>966,621</u>	<u>911,143</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts (see note 8)	74,856	74,856
Trade creditors	600,496	475,656
Taxation and social security	189,463	105,217
Other creditors	44,813	58,721
	<u>909,628</u>	<u>714,450</u>

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

	2020	2019
	£	£
Hire purchase contracts (see note 8)	<u>189,034</u>	<u>239,000</u>

8. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	74,856	74,856
Between one and five years	189,034	239,000
	<u>263,890</u>	<u>313,856</u>

	Non-cancellable	operating leases
	2020	2019
	£	£
Within one year	81,660	17,500
Between one and five years	102,075	-
	<u>183,735</u>	<u>17,500</u>

9. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Saveheat Group Limited. Saveheat Group Limited does not have an ultimate controlling party.

**Chartered Accountants' Report to the Director
on the Unaudited Financial Statements of
Merlin Network (Scotland) Limited**

The following reproduces the text of the report prepared for the director 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 Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Director are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Merlin Network (Scotland) Limited for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the director of Merlin Network (Scotland) Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Merlin Network (Scotland) Limited and state those matters that we have agreed to state to the director of Merlin Network (Scotland) Limited in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its director for our work or for this report.

It is your duty to ensure that Merlin Network (Scotland) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Merlin Network (Scotland) Limited. You consider that Merlin Network (Scotland) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Merlin Network (Scotland) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Henderson & Company
73 Union Street
Greenock
Renfrewshire
PA16 8BG

28 July 2021

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.