

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022
FOR
MERLIN FLEX LIMITED**

ESW Limited
Chartered Accountants
& Registered Auditors
162-164 High Street
Rayleigh
Essex
SS6 7BS

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FOR THE YEAR ENDED 31ST MARCH 2022**

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MERLIN FLEX LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2022

DIRECTORS:	M Merifield K Merifield M Black S Walker N J Martin
SECRETARY:	V M Jones
REGISTERED OFFICE:	162-164 High Street Rayleigh Essex SS6 7BS
REGISTERED NUMBER:	03235739 (England and Wales)
AUDITORS:	ESW Limited Chartered Accountants & Registered Auditors 162-164 High Street Rayleigh Essex SS6 7BS
BANKERS:	Bank of Scotland PLC 33 Old Broad Street London EC2N 1HW

**BALANCE SHEET
31ST MARCH 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible assets	4	2,278,595	2,096,712
CURRENT ASSETS			
Stocks		983,455	957,350
Debtors	5	1,378,005	1,133,966
Cash at bank and in hand		<u>190,409</u>	<u>978,435</u>
		2,551,869	3,069,751
CREDITORS			
Amounts falling due within one year	6	<u>(682,533)</u>	<u>(1,188,674)</u>
NET CURRENT ASSETS		<u>1,869,336</u>	<u>1,881,077</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,147,931	3,977,789
CREDITORS			
Amounts falling due after more than one year	7	(72,298)	(427,585)
PROVISIONS FOR LIABILITIES	10	<u>(411,873)</u>	<u>(413,657)</u>
NET ASSETS		<u><u>3,663,760</u></u>	<u><u>3,136,547</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Revaluation reserve		523,783	581,981
Retained earnings		<u>3,139,975</u>	<u>2,554,564</u>
SHAREHOLDERS' FUNDS		<u><u>3,663,760</u></u>	<u><u>3,136,547</u></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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 3rd October 2022 and were signed on its behalf by:

N J Martin - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

1. STATUTORY INFORMATION

Merlin Flex 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.

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 as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Income is recognised on despatch of goods or provision of services to the customer.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property - 4% on cost

Plant and machinery - 33% on cost, 25% on cost, 10% on reducing balance and Straight line over 8 years

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

2. ACCOUNTING POLICIES - continued

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 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 trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and bank loans, 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.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

2. ACCOUNTING POLICIES - continued

Foreign currencies

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

All translation differences are taken to profit or loss.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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 62 (2021 - 63) .

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST OR VALUATION			
At 1st April 2021	154,065	3,550,442	3,704,507
Additions	121,776	304,101	425,877
At 31st March 2022	<u>275,841</u>	<u>3,854,543</u>	<u>4,130,384</u>
DEPRECIATION			
At 1st April 2021	8,631	1,599,164	1,607,795
Charge for year	8,336	235,658	243,994
At 31st March 2022	<u>16,967</u>	<u>1,834,822</u>	<u>1,851,789</u>
NET BOOK VALUE			
At 31st March 2022	<u>258,874</u>	<u>2,019,721</u>	<u>2,278,595</u>
At 31st March 2021	<u>145,434</u>	<u>1,951,278</u>	<u>2,096,712</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

4. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31st March 2022 is represented by:

	Land and buildings £	Plant and machinery etc £	Totals £
Valuation in 2016	-	985,590	985,590
Cost	<u>275,841</u>	<u>2,868,953</u>	<u>3,144,794</u>
	<u>275,841</u>	<u>3,854,543</u>	<u>4,130,384</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery etc £
COST OR VALUATION	
At 1st April 2021	805,123
Transfer to ownership	(166,714)
At 31st March 2022	<u>638,409</u>
DEPRECIATION	
At 1st April 2021	163,861
Charge for year	53,462
Transfer to ownership	(60,066)
At 31st March 2022	<u>157,257</u>
NET BOOK VALUE	
At 31st March 2022	<u>481,152</u>
At 31st March 2021	<u>641,262</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	704,894	740,443
Amounts owed by group undertakings	467,709	-
Other debtors	<u>205,402</u>	<u>393,523</u>
	<u>1,378,005</u>	<u>1,133,966</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank loans and overdrafts (see note 8)	-	29,166
Hire purchase contracts	138,029	135,706
Trade creditors	333,035	329,058
Amounts owed to group undertakings	-	425,000
Social security and other taxes	31,023	29,406
VAT	89,611	200,422
Other creditors	6,808	7,120
Accruals and deferred income	84,027	32,796
	<u>682,533</u>	<u>1,188,674</u>

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

	2022 £	2021 £
Bank loans (see note 8)	-	220,833
Hire purchase contracts	72,298	206,752
	<u>72,298</u>	<u>427,585</u>

8. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>29,166</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>50,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>170,833</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

9. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	-	249,999
Hire purchase contracts	<u>210,327</u>	<u>342,458</u>
	<u>210,327</u>	<u>592,457</u>

The bank loan is secured by a debenture over the whole of the company's assets, and cross guarantees given by all of the group members.

The hire purchase liabilities are secured on the assets to which they relate.

The invoice discounting facility is secured against the company's trade debtor balances.

10. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	<u>411,873</u>	<u>413,657</u>
		Deferred tax
		£
Balance at 1st April 2021		413,657
Accelerated capital allowances		<u>(1,784)</u>
Balance at 31st March 2022		<u>411,873</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022 £	2021 £
Number:	Class:	Nominal value:		
2	Ordinary	2	<u>2</u>	<u>2</u>

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

The Report of the Auditors was unqualified.

Stephen Cracknell FCA (Senior Statutory Auditor)
for and on behalf of ESW Limited

13. CONTINGENT LIABILITIES

The company has given a guarantee against the bank loans advanced to other group members.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

14. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31st March 2022 and 31st March 2021:

	2022 £	2021 £
N J Martin		
Balance outstanding at start of year	-	84,500
Amounts repaid	-	(84,500)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>
M Merifield		
Balance outstanding at start of year	4,399	7,500
Amounts repaid	(4,399)	(3,101)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>4,399</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022**

15. RELATED PARTY DISCLOSURES

During the year KSRG Limited invoiced Merlin Flex Limited £92,000 (2021 : £80,000) for rent. Mr N Martin is a director of KSRG Limited and a director and majority shareholder in Merlin PCB Group Limited which is the parent company of Merlin Flex Limited.

Sales includes sales to Merlin Circuit Technology Limited and NCAB Group Kestrel Limited, both being companies under common control, amounting to £17,153 (2021 : £15,777) and £83,056 (2021 : £96,349) respectively.

Cost of sales includes costs from Merlin Circuit Technology Limited and NCAB Group Kestrel Limited, both being companies under common control, amounting to £126,412 (2021 : £53,965) and £59,986 (2021 : £31,279) respectively.

Insurance includes recharges from Merlin Circuit Technology Limited a company under common control amounting to £35,642 (2021 : £35,648).

The balance sheet includes balances with companies under common control comprising;

		2022 £	2021 £
NCAB Group Kestrel Limited	Trade debtors	19,600	29,855
Merlin Circuit Technology Limited	Trade debtors	13,549	-
Merlin PCB Group Limited	Other debtors	217,709	-
Merlin Circuit Technology Limited	Other debtors	250,000	-
Merlin PCB Group Limited	Other creditors	-	425,000
NCAB Group Kestrel Limited	Trade creditors	-	1,328
Merlin Circuit Technology Limited	Trade creditors	11,313	16,922
		<u> </u>	<u> </u>

The balance sheet includes balances with companies where Mr N Martin is a director, who is also a director and majority shareholder in Merlin PCB Group Limited;

		2022 £	2021 £
KSRG Limited	Other debtors	-	350,000
KSRG Limited	Trade creditors	28,006	16,686
		<u> </u>	<u> </u>

16. PARENT COMPANY

The company's immediate and ultimate parent undertaking is Merlin PCB Group Limited, a company incorporated in England and Wales which is the smallest and largest group for which consolidated accounts including Merlin Flex Limited are prepared. The consolidated accounts of Merlin PCB Group Limited are available from its registered office 162-164 High Street, Rayleigh, Essex, United Kingdom, SS6 7BS.