

Company Registration No. 2765189 (England and Wales)

**MERRITTS AUTOPOINT LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2008**

THURSDAY



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# MERRITTS AUTOPOINT LIMITED

## COMPANY INFORMATION

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**Directors**

J. A. Merritt  
D. J. Wallington  
T. J. Merritt

**Company number**

2765189

**Registered office**

44 London Road  
Amersham  
Bucks  
HP7 9DD

**Auditors**

HLB Vantis Audit plc  
Torrington House  
47 Holywell Hill  
St. Albans  
Hertfordshire  
AL1 1HD

**Business address**

Bicester Road  
Aylesbury  
Buckinghamshire  
HP19 8FN

**Bankers**

Barclays Bank plc  
PO Box 104  
St Albans  
Hertfordshire  
AL1 3AN

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# MERRITTS AUTOPOINT LIMITED

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# **MERRITTS AUTOPOINT LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2008***

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The directors present their report and financial statements for the year ended 31 January 2008.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of purchasing, selling and repairing of motor vehicles and other ancilliary services.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

### **Future developments**

The directors intend to continue their existing management policies for the foreseeable future.

### **Directors**

The following directors have held office since 1 February 2007:

J. A. Merritt

D. J. Wallington

T. J. Merritt

S. J. Kidney

(Resigned 16 September 2008)

### **Auditors**

HLB Vantis Audit plc were appointed auditors to the company and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# MERRITTS AUTOPOINT LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2008**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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.

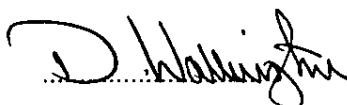
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

On behalf of the board



17.11.08

# **MERRITTS AUTOPOINT LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF MERRITTS AUTOPOINT LIMITED**

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We have audited the financial statements of Merritts Autopoint Limited for the year ended 31 January 2008 set out on pages 5 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

# MERRITTS AUTOPOINT LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF MERRITTS AUTOPOINT LIMITED

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#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*HLB Vantis Audit plc*

HLB Vantis Audit plc

Chartered Accountants  
Registered Auditor



*17th November 2008*

Torrington House  
47 Holywell Hill  
St. Albans  
Hertfordshire  
AL1 1HD

# MERRITTS AUTOPOINT LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 JANUARY 2008**

	Notes	2008 £	2007 £
Turnover	2	6,293,209	5,612,467
Cost of sales		(5,586,440)	(5,137,513)
Gross profit		706,769	474,954
Administrative expenses		(712,094)	(551,383)
Operating loss	3	(5,325)	(76,429)
Interest payable and similar charges	4	(24,943)	(30,408)
Loss on ordinary activities before taxation		(30,268)	(106,837)
Tax on loss on ordinary activities	5	-	-
Loss for the year	13	(30,268)	(106,837)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



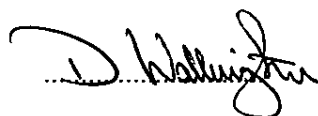
# MERRITTS AUTOPOINT LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Intangible assets	6		89,600		96,800
Tangible assets	7		41,186		48,373
			<u>130,786</u>		<u>145,173</u>
<b>Current assets</b>					
Stocks	8	664,636		789,428	
Debtors	9	147,315		185,559	
Cash at bank and in hand		243,366		1,443	
		<u>1,055,317</u>		<u>976,430</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,571,618)</u>		<u>(1,476,850)</u>	
<b>Net current liabilities</b>			<u>(516,301)</u>		<u>(500,420)</u>
<b>Total assets less current liabilities</b>			<u>(385,515)</u>		<u>(355,247)</u>
<b>Capital and reserves</b>					
Called up share capital	12		100,000		100,000
Profit and loss account	13		<u>(485,515)</u>		<u>(455,247)</u>
<b>Shareholders' funds</b>	14		<u>(385,515)</u>		<u>(355,247)</u>

Approved by the Board and authorised for issue on 17-11-08



Director

# MERRITTS AUTOPOINT LIMITED

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 JANUARY 2008**

	2008	2007
	£	£
Net cash inflow from operating activities	268,479	59,749
Returns on investments and servicing of finance		
Interest paid	(24,943)	(30,408)
Net cash outflow for returns on investments and servicing of finance	(24,943)	(30,408)
Capital expenditure		
Payments to acquire tangible assets	(1,613)	(1,890)
Net cash outflow for capital expenditure	(1,613)	(1,890)
Net cash inflow before management of liquid resources and financing	241,923	27,451
Increase in cash in the year	241,923	27,451

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2008

1	Reconciliation of operating loss to net cash inflow from operating activities	2008		2007	
		£		£	
	Operating loss	(5,325)		(76,429)	
	Depreciation of tangible assets	8,800		9,307	
	Amortisation of intangible assets	7,200		7,200	
	Decrease/(increase) in stocks	124,792		(104,443)	
	Decrease/(increase) in debtors	38,244		(23,782)	
	Increase in creditors within one year	94,768		247,896	
	<b>Net cash inflow from operating activities</b>	<b>268,479</b>		<b>59,749</b>	
2	Analysis of net funds	1 February 2007	Cash flow	Other non-cash changes	31 January 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,443	241,923	-	243,366
	<b>Net funds</b>	<b>1,443</b>	<b>241,923</b>	<b>-</b>	<b>243,366</b>
3	Reconciliation of net cash flow to movement in net funds	2008		2007	
		£		£	
	Increase in cash in the year	241,923		27,451	
	<b>Movement in net funds in the year</b>	<b>241,923</b>		<b>27,451</b>	
	Opening net funds/(debt)	1,443		(26,008)	
	<b>Closing net funds</b>	<b>243,366</b>		<b>1,443</b>	
4	Liquid resources				
	Liquid resources is cash at bank.				

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Going concern

The company uses its bank accounts to meet its working capital requirements. Due to this, and the continuing support of the parent company, the directors consider it appropriate to prepare the financial statements on the going concern basis.

#### 1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### 1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	4% straight line
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance and 20% straight line

#### 1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

Under supply agreements with manufacturers, the company has access to consignment stock during a consignment period. The directors consider that the consignment agreement substantially transfers the risks and rewards of ownership to the company and recognises consigned stock as an asset in the balance sheet together with the corresponding creditor to the manufacturer.

#### 1.9 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2008

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating loss	2008 £	2007 £
	Operating loss is stated after charging:		
	Amortisation of intangible assets	7,200	7,200
	Depreciation of tangible assets	8,800	9,307
	Operating lease rentals	142,686	134,887

Auditors remuneration is included in the parent company, Merritts Motor Group Limited.

4	Interest payable	2008 £	2007 £
	Other interest	24,943	30,408

5	Taxation	2008	2007
	Current tax charge	-	-

#### Factors affecting the tax charge for the year

Loss on ordinary activities before taxation	(30,268)	(106,837)
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Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2007 - 0.00%)

#### Current tax charge

The company has estimated losses of £ 258,622 (2007 - £ 229,846) available for carry forward against future trading profits.

A deferred tax asset of £52,141 (2007: £45,197) relating to unused losses has not been recognised due to uncertainty over the availability of sufficient profits in the foreseeable future.

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2008

#### 6 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2007 & at 31 January 2008	140,000
<b>Amortisation</b>	
At 1 February 2007	43,200
Charge for the year	7,200
At 31 January 2008	50,400
<b>Net book value</b>	
At 31 January 2008	89,600
At 31 January 2007	96,800

#### 7 Tangible fixed assets

	Leasehold improve- ments £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 February 2007	11,445	54,569	41,647	107,661
Additions	-	-	1,613	1,613
At 31 January 2008	11,445	54,569	43,260	109,274
<b>Depreciation</b>				
At 1 February 2007	916	30,788	27,584	59,288
Charge for the year	458	4,700	3,642	8,800
At 31 January 2008	1,374	35,488	31,226	68,088
<b>Net book value</b>				
At 31 January 2008	10,071	19,081	12,034	41,186
At 31 January 2007	10,529	23,781	14,063	48,373

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2008**

<b>8</b>	<b>Stocks and work in progress</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Work in progress	535	1,183
	Finished goods and goods for resale	445,716	503,727
	Consignment stock	218,385	284,518
		<u>664,636</u>	<u>789,428</u>

The directors have considered the substance of stocking arrangements with the manufacturer and consider that the consignment stock held by the company should be recognised as an asset. The substance of the agreement means that the company has access to the benefit of the stock and exposure to the risks of holding it.

The company has therefore recognised consignment stock in the balance sheet, and a corresponding liability to the manufacturer.

<b>9</b>	<b>Debtors</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Trade debtors	93,071	145,405
	Amounts owed by parent and fellow subsidiary undertakings	19,886	-
	Other debtors	-	14,168
	Prepayments and accrued income	34,358	25,986
		<u>147,315</u>	<u>185,559</u>

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2008

10 Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	382,231	426,326
Consignment creditor	218,385	284,518
Amounts owed to parent and fellow subsidiary undertakings	905,191	714,421
Taxes and social security costs	52,041	35,910
Other creditors	1,085	1,751
Accruals and deferred income	12,685	13,924
	<u>1,571,618</u>	<u>1,476,850</u>

Trade creditors includes stocking loans under manufacturers' funding plans of £73,712 (2007: £67,119) that are secured against the vehicles to which they relate, and by way of a debenture and a fixed and floating charge over all present and future assets of the company.

The consignment creditor is secured against the vehicles to which it relates, and by way of a debenture and a fixed and floating charge over all present and future assets of the company.

#### 11 Pension and other post-retirement benefit commitments

##### Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	<u>5,270</u>	<u>2,164</u>

12 Share capital	2008 £	2007 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>



# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2008

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2007	(455,247)
Loss for the year	(30,268)
Balance at 31 January 2008	<u>(485,515)</u>

### 14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Loss for the financial year	(30,268)	(106,837)
Opening shareholders' funds	<u>(355,247)</u>	<u>(248,410)</u>
Closing shareholders' funds	<u>(385,515)</u>	<u>(355,247)</u>

### 15 Contingent liabilities

The company is a member of a VAT group with Merritts Motor Group Limited, Merritts Chesham Limited, Merritts Jaguar Limited and Merritts of Amersham Limited. The maximum liability that could arise as a result of the group VAT registration at 31 January 2008 is £163,628 (2007: £48,064).

The company has entered into a cross guarantee with other group companies in favour of Jaguar Financial Services Limited with regard to finance facilities provided to Merritts Jaguar Limited. At 31 January 2008 the contingent liability relating to this was £1,710,248 (2007: £2,861,113).

There is a cross guarantee and debenture between the company, Merritts Motor Group Limited, Merritts Chesham Limited, Merritts Jaguar Limited and Merritts of Amersham Limited in favour of Barclays Bank PLC. At 31 January 2008 the total bank borrowings of the group amounted to £765,887 (2007: £761,934).

### 16 Financial commitments

At 31 January 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2009:

	Land and buildings	
	2008 £	2007 £
Operating leases which expire:		
In over five years	<u>110,000</u>	<u>100,000</u>

# MERRITTS AUTOPOINT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2008

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Directors	4	4
Production staff	10	12
Administrative staff	6	8
	<u>20</u>	<u>24</u>

#### Employment costs

	2008 £	2007 £
Wages and salaries	355,449	366,655
Social security costs	35,942	39,411
Other pension costs	5,270	2,164
	<u>396,661</u>	<u>408,230</u>

### 18 Control

The parent undertaking is Merritts Motor Group Limited, a company registered in England and Wales.

The ultimate controlling party is the Merritts Trust (the beneficiaries of which are T.J Merritt and C.J Hitchcock) by virtue of its majority shareholding in Biggleswade Investments Limited, a company incorporated in the British Virgin Islands that owns 100% of the issued share capital of Merritts Motor Group Limited.

### 19 Related party transactions

During the year, the company paid £110,000 (2007: £100,000) to Merritts Property Services Limited for property rental.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by Merritts Motor Group Limited.