

**COMPANY REGISTRATION NUMBER 3787153**

**LINCON BATTERIES LIMITED**  
**UNAUDITED ACCOUNTS**  
**31 JULY 2007**

WEDNESDAY



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# **LINCON BATTERIES LIMITED**

## **ACCOUNTS**

**YEAR ENDED 31 JULY 2007**

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# **LINCON BATTERIES LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 JULY 2007**

The directors have pleasure in presenting their report and the unaudited accounts of the company for the year ended 31 July 2007

### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the manufacture of accumulators and batteries

### **DIRECTORS**

The directors who served the company during the year were as follows

Mr G D Negus  
Mrs C A Negus

### **DONATIONS**

During the year the company made the following contributions

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Charitable	<b><u>2,565</u></b>	<b><u>2,527</u></b>

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office  
Faraday Road  
25/26 Faraday Road  
Leigh-on-sea  
Essex  
SS9 5JU

Signed by order of the directors



MRS C A NEGUS  
Company Secretary

Approved by the directors on . 17/1/08

# **LINCON BATTERIES LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 JULY 2007**

	Note	2007 £	2006 £
<b>TURNOVER</b>		<b>796,239</b>	<b>772,428</b>
Cost of sales		<u><b>641,529</b></u>	<u>588,549</u>
<b>GROSS PROFIT</b>		<b>154,710</b>	<b>183,879</b>
Distribution costs		<u><b>3,791</b></u>	<u>5,665</u>
Administrative expenses		<u><b>101,758</b></u>	<u>86,970</u>
<b>OPERATING PROFIT</b>	2	<b>49,161</b>	<b>91,244</b>
Interest receivable and similar income		<u><b>2,376</b></u>	<u>1,119</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u><b>51,537</b></u>	<u>92,363</u>
Tax on profit on ordinary activities	3	<u><b>10,679</b></u>	<u>16,850</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>40,858</b></u>	<u><b>75,513</b></u>

The notes on pages 4 to 9 form part of these accounts

# LINCON BATTERIES LIMITED

## BALANCE SHEET

31 JULY 2007

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible assets	5	1	1
Tangible assets	6	11,309	8,202
		<u>11,310</u>	<u>8,203</u>
<b>CURRENT ASSETS</b>			
Stocks		127,574	79,449
Debtors	7	183,968	133,680
Cash at bank and in hand		37,946	72,306
		<u>349,488</u>	<u>285,435</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>180,303</u>	<u>113,665</u>
<b>NET CURRENT ASSETS</b>		<u>169,185</u>	<u>171,770</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>180,495</u>	<u>179,973</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	12	12
Profit and loss account	13	180,483	179,961
<b>SHAREHOLDERS' FUNDS</b>		<u>180,495</u>	<u>179,973</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These accounts were approved by the directors and authorised for issue on and are signed on their behalf by

MR G D NEGUS  
Director



17/1/08

The notes on pages 4 to 9 form part of these accounts

# **LINCON BATTERIES LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 JULY 2007**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

#### **Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	- 10% straight line
Plant and machinery	- 20% straight line
Motor vehicles	- 25% straight line
Equipment	- 15% straight line

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value

#### **Hire purchase agreements**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

# **LINCON BATTERIES LIMITED**

## **NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 JULY 2007**

### **1. ACCOUNTING POLICIES *(continued)***

#### **Pension costs**

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### **2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting)

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	<b>5,643</b>	<b>3,604</b>
Profit on disposal of fixed assets	<b><u>(800)</u></b>	<b><u>(823)</u></b>

# LINCON BATTERIES LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

### 3. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	10,219	18,042
Under provision in prior year	-	45
Total current tax	<u>10,219</u>	<u>18,087</u>
Deferred tax		
Origination and reversal of timing differences (note 8)		
Capital allowances	460	(1,237)
Tax on profit on ordinary activities	<u>10,679</u>	<u>16,850</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19.34% (2006 - 19%)

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>51,537</u>	<u>92,363</u>
Profit on ordinary activities by rate of tax	9,967	17,549
Disallowable expenditure	564	681
Excess of capital allowances over depreciation	(410)	(188)
Prior year under provision	-	45
Charges on income	98	-
Total current tax (note 3(a))	<u>10,219</u>	<u>18,087</u>

### 4. DIVIDENDS

#### Equity dividends

	2007 £	2006 £
Paid		
Equity dividends on ordinary shares	<u>40,336</u>	<u>31,200</u>



# LINCON BATTERIES LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

### 5. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 August 2006 and 31 July 2007	<u>1</u>
<b>AMORTISATION</b>	
At 1 August 2006 and 31 July 2007	<u>—</u>
<b>NET BOOK VALUE</b>	
At 31 July 2007	<u>1</u>
At 31 July 2006	<u>1</u>

This represents goodwill purchased on acquisition of the trade from Lincon Batteries Partnership

### 6. TANGIBLE FIXED ASSETS

	Leasehold Property Costs £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>					
At 1 August 2006	5,111	46,993	22,971	9,064	84,139
Additions	—	3,000	5,750	—	8,750
Disposals	—	—	(9,914)	—	(9,914)
<b>At 31 July 2007</b>	<u>5,111</u>	<u>49,993</u>	<u>18,807</u>	<u>9,064</u>	<u>82,975</u>
<b>DEPRECIATION</b>					
At 1 August 2006	1,533	45,024	22,969	6,411	75,937
Charge for the year	511	2,354	1,438	1,340	5,643
On disposals	—	—	(9,914)	—	(9,914)
<b>At 31 July 2007</b>	<u>2,044</u>	<u>47,378</u>	<u>14,493</u>	<u>7,751</u>	<u>71,666</u>
<b>NET BOOK VALUE</b>					
At 31 July 2007	<u>3,067</u>	<u>2,615</u>	<u>4,314</u>	<u>1,313</u>	<u>11,309</u>
At 31 July 2006	<u>3,578</u>	<u>1,969</u>	<u>2</u>	<u>2,653</u>	<u>8,202</u>

### 7. DEBTORS

	2007 £	2006 £
Trade debtors	173,448	129,167
Other debtors	9,743	3,276
Deferred taxation (note 8)	777	1,237
	<u>183,968</u>	<u>133,680</u>

# LINCON BATTERIES LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

### 8. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2007 £	2006 £
Included in debtors (note 7)	<u>777</u>	<u>1,237</u>

The movement in the deferred taxation account during the year was

	2007 £	2006 £
Balance brought forward	1,237	-
Profit and loss account movement arising during the year	<u>(460)</u>	<u>1,237</u>
Balance carried forward	<u>777</u>	<u>1,237</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of depreciation over taxation allowances	<u>777</u>	<u>1,237</u>
	<u>777</u>	<u>1,237</u>

### 9. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Overdrafts	2,410	-
Trade creditors	146,632	72,872
Corporation tax	10,219	18,042
Other taxation and social security	18,342	20,051
Other creditors	<u>2,700</u>	<u>2,700</u>
	<u>180,303</u>	<u>113,665</u>

### 10. TRANSACTIONS WITH THE DIRECTORS

Included within 'Other debtors' is the loan provided to G D Negus, a director of the company. The balance owed to the company at the year end, and maximum amount outstanding at any point in the year, was £5,573

### 11. RELATED PARTY TRANSACTIONS

The company was under the control of Mr G D Negus throughout the current and previous year. Mr G D Negus is the managing director and majority shareholder.

# LINCON BATTERIES LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2007

### 12. SHARE CAPITAL

#### Authorised share capital:

	2007 £	2006 £
50,000 Ordinary 'A' shares of £1 each	50,000	50,000
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary 'A' shares of £1 each	10	10	10	10
Ordinary 'B' shares of £1 each	2	2	2	2
	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

'A' ordinary and 'B' ordinary shares rank pari pasu in all respects

### 13. PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
Balance brought forward	179,961	135,648
Profit for the financial year	40,858	75,513
Equity dividends	(40,336)	(31,200)
Balance carried forward	<u>180,483</u>	<u>179,961</u>