

Meccano Toys (UK) Limited

Registered number 06314281

Director's report and financial statements

For the year ended 31 March 2012



MECCANO TOYS (UK) LIMITED

COMPANY INFORMATION

Director M Ingberg

Company number 06314281

Registered office Unit 4A Rowood Estate
Murdock Road
Bicester
United Kingdom
OX26 4PP

Auditor Mazars LLP
Chartered Accountants and Statutory Auditor
Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

MECCANO TOYS (UK) LIMITED

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MECCANO TOYS (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2012

The director presents his report and the financial statements for the year ended

Principal activities and review of business

The principal activity of the company is the distribution of the Meccano brand toys in the United Kingdom. All purchases are made from the French parent which also provides logistics and administration support.

The company generated a loss before tax of £514,012 (2011: loss £216,004) based on a turnover of £2,127,717 (2011: £3,834,907).

Results and dividends

The loss for the year, after taxation, amounted to £514,012 (2011: loss £216,004).

No dividend is recommended.

Director

The director who served during the year was

M Ingberg

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in director's reports may differ from legislation in other jurisdictions.

MECCANO TOYS (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2012

Statement of disclosure to auditor

The director at the time when this director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing his report and to establish that the company's auditor is aware of that information

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf by

M Ingberg
Director

Date 29.06.2012

A large, stylized handwritten signature in black ink, consisting of a large loop and a long horizontal stroke.

MECCANO TOYS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MECCANO TOYS (UK) LIMITED

We have audited the financial statements of Meccano Toys (UK) Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report is consistent with the financial statements.

MECCANO TOYS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MECCANO TOYS (UK) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Elisabeth Maxwell

Elisabeth Maxwell (Senior Statutory Auditor)

For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House
Throwley Way
Sutton
Surrey
SM1 4JQ

Date

5th July 2012

MECCANO TOYS (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 £
Turnover	1,2	2,127,717	3,834,907
Cost of sales		(1,921,453)	(3,077,758)
		<hr/>	<hr/>
Gross profit		206,264	757,149
Administrative expenses		(720,276)	(973,153)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(514,012)	(216,004)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss for the financial year	10	(514,012)	(216,004)
		<hr/>	<hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 7 to 12 form part of these financial statements

MECCANO TOYS (UK) LIMITED

Registered number 06314281

BALANCE SHEET**AS AT 31 MARCH 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	6		1,428		3,740
Current assets					
Debtors	7	775,709		703,552	
Cash at bank		226,334		384,339	
		<u>1,002,043</u>		<u>1,087,891</u>	
Creditors. amounts falling due within one year	8	<u>(2,360,423)</u>		<u>(1,934,571)</u>	
Net current liabilities			<u>(1,358,380)</u>		<u>(846,680)</u>
Total assets less current liabilities			<u>(1,356,952)</u>		<u>(842,940)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account	10		<u>(1,356,953)</u>		<u>(842,941)</u>
Shareholders' deficit	11		<u>(1,356,952)</u>		<u>(842,940)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

M Ingberg
Director

Date 29.06.2012

The notes on pages 7 to 12 form part of these financial statements



MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accountancy Practice)

1.2 Going Concern

These financial statements have been prepared on a going concern basis. Due to the financial position of the company, the validity of this basis is conditional upon the continued support of the company's parent undertaking, Meccano SA.

In the director's opinion, going concern is an appropriate basis for the preparation of the financial statements as the director of the company has received assurances from the company's parent undertaking, Meccano SA, that it will continue to support the company to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval of these accounts.

Should the company be unable to continue trading as a result of the withdrawal of support of this parent undertaking, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.5 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	20% straight line
Computer equipment	-	33% straight line

1.6 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2 Turnover

All turnover arose in the United Kingdom

3 Loss

The loss is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	2,312	3,441
Auditors' remuneration	11,300	10,750
Operating lease rentals		
- plant and machinery	1,145	1,058
- other operating leases	12,000	33,977
Loss (profit) on foreign exchange	(11,047)	(32,574)

During the year, no director received any emoluments (2011 - £NIL)

MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

4. Staff costs

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	204,576	199,969
Social security costs	26,769	24,851
	<u>231,345</u>	<u>224,820</u>

The average monthly number of employees, including the director, during the year was as follows

	2012 No	2011 No
Administration	<u>4</u>	<u>4</u>

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 26% (2011 - 28%) The differences are explained below

	2011 £	2010 £
Loss on ordinary activities before tax	<u>(514,012)</u>	<u>(216,004)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(133,643)	(60,481)

Effects of

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20	151
Depreciation in excess of capital allowances	156	275
Unrelieved tax losses	133,467	60,055

Current tax charge for the year (see note above)

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Factors that may affect future tax charges

The company has tax losses of £1,339,144 (2011 £827,000) available to carry forward to be off-set against future trading profits

MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

6 Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2011 and 31 March 2012	11,568	4,542	16,110
Depreciation			
At 1 April 2011	7,828	4,542	12,370
Charge for the year	2,312	-	2,312
At 31 March 2012	10,140	4,542	14,682
Net book value			
At 31 March 2012	1,428	-	1,428
At 31 March 2011	3,740	-	3,740

7. Debtors

	2012 £	2011 £
Trade debtors	411,642	653,139
Amounts owed by group undertakings	341,782	27,933
Prepayments and accrued income	22,285	22,480
	<u>775,709</u>	<u>703,552</u>

8. Creditors Amounts falling due within one year

	2012 £	2011 £
Trade creditors	29,266	27,371
Amounts owed to group undertakings	2,172,976	1,639,990
Social security and other taxes	24,452	55,092
Other creditors	110,414	184,165
Accruals and deferred income	23,315	27,953
	<u>2,360,423</u>	<u>1,934,571</u>

MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

9. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

10. Reserves

	Profit and loss account £
At 1 April 2011	(842,941)
Loss for the year	(514,012)
At 31 March 2012	(1,356,953)

11 Reconciliation of movement in shareholders' deficit

	2012 £	2011 £
Opening shareholders' deficit	(842,940)	(626,936)
Loss for the year	(514,012)	(216,004)
Closing shareholders' deficit	(1,356,952)	(842,940)

12. Operating lease commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2012 £	2011 £
Expiry date		
Between 2 and 5 years	12,000	12,000

MECCANO TOYS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

13 Related party transactions

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 ultimate parent company

14 Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is Meccano SA, which is incorporated in France. It has included the company in its group consolidated accounts, copies of which are available from its registered office, 363 avenue Antoine de Saint-Exupéry, 62100 Calais