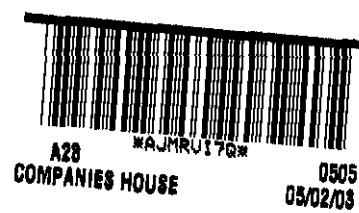


Register

**Report of the Directors and  
Financial Statements for the year ended 30 June 2002  
for  
BELLSTAN LIMITED**



**BELLSTAN LIMITED**

**Contents of the Financial Statements  
for the year ended 30 June 2002**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors</b>	<b>3</b>
<b>Profit and Loss Account</b>	<b>4</b>
<b>Balance Sheet</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6</b>
<b>Trading and Profit and Loss Account</b>	<b>11</b>

**BELLSTAN LIMITED**

**Company Information  
for the year ended 30 June 2002**

**DIRECTORS:** S R Zaremba  
Z J Zaremba

**SECRETARY:** V A Zaremba

**REGISTERED OFFICE:** Old Post House  
Wood Lane, Beech Hill  
Reading  
Berkshire. RG7 2BE

**REGISTERED NUMBER:** 945450 (England and Wales)

**AUDITORS:** Tilbury Young  
Chartered Accountants  
Registered Auditors  
Almac House  
Church Lane  
Bisley  
Surrey. GU24 9DR

**BANKERS:** Barclays Bank plc  
3/5 King Street  
Reading  
Berkshire  
RG1 2HD

# **BELLSTAN LIMITED**

## **Report of the Directors for the year ended 30 June 2002**

The directors present their report with the financial statements of the company for the year ended 30 June 2002.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of civil engineering relating to public and private highways.

### **DIRECTORS**

The directors during the year under review were:

S R Zaremba  
Z J Zaremba

The directors holding office at 30 June 2002 did not hold any beneficial interest in the issued share capital of the company at 1 July 2001 or 30 June 2002.

At the balance sheet date, the company was a wholly owned subsidiary of Quality Safety Markings Limited, a company registered in England and Wales. Subsequent to the balance sheet date however, the members agreed to a scheme of arrangement whereby the group was restructured, as detailed in note 12.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

### **AUDITORS**

The auditors, Tilbury Young, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:**



V A Zaremba - SECRETARY

Dated: 9<sup>th</sup> December 2002

## BELLSTAN LIMITED

### Report of the Independent Auditors to the Shareholders of Bellstan Limited

We have audited the financial statements of Bellstan Limited for the year ended 30 June 2002 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom Auditing Standards 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.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Tilbury Young  
Chartered Accountants  
Registered Auditors  
Almac House  
Church Lane  
Bisley  
Surrey. GU24 9DR

Dated: 9th December 2002

# BELLSTAN LIMITED

## Profit and Loss Account for the year ended 30 June 2002

		2002	2001
	Notes	£	£
<b>TURNOVER</b>		2,108,604	2,075,524
Cost of sales		617,682	559,229
<b>GROSS PROFIT</b>		1,490,922	1,516,295
Administrative expenses		1,421,585	1,555,295
<b>OPERATING PROFIT/(LOSS)</b>	2	69,337	(39,000)
Interest receivable and similar income		25,818	39,048
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		95,155	48
Tax on profit on ordinary activities	3	66,416	(10,710)
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		28,739	10,758
<b>RETAINED PROFIT FOR THE YEAR</b>		£28,739	£10,758

The notes form part of these financial statements

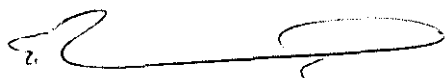
# BELLSTAN LIMITED

## Balance Sheet 30 June 2002

		2002		2001	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		163,263		162,470
<b>CURRENT ASSETS</b>					
Stocks		41,704		38,171	
Debtors	5	385,643		646,450	
Cash at bank and in hand		648,245		708,332	
		1,075,592		1,392,953	
<b>CREDITORS</b>					
Amounts falling due within one year	6	793,154		1,145,774	
<b>NET CURRENT ASSETS</b>			282,438		247,179
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			445,701		409,649
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	7		13,960		6,647
			<u>£431,741</u>		<u>£403,002</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		2,600		2,600
Profit and loss account	9		429,141		400,402
<b>SHAREHOLDERS' FUNDS</b>			<u>£431,741</u>		<u>£403,002</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**



S R Zaremba - DIRECTOR

Approved by the Board on 9th December 2002

The notes form part of these financial statements

## **BELLSTAN LIMITED**

### **Notes to the Financial Statements for the year ended 30 June 2002**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### **Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

##### **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 includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

##### **Change of accounting policy**

In order to comply with the introduction of additional Financial Reporting Standards, the company has changed its policy on accounting for deferred tax. Previously, the policy was to account for deferred tax on all material timing differences to the extent that there was considered a reasonable probability that the liability would not arise in the foreseeable future. Due to the fact that a full provision was made in 2001 and that no other timing differences existed which would warrant a deferred tax provision under the revised Standard, no prior period adjustment has been made.

**BELLSTAN LIMITED****Notes to the Financial Statements  
for the year ended 30 June 2002****2. OPERATING PROFIT/(LOSS)**

The operating profit (2001 - operating loss) is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	51,344	50,988
Loss on disposal of fixed assets	500	-
Auditors' remuneration	7,725	9,638
Pension costs	17,013	97,000
	<u>          </u>	<u>          </u>
Directors' emoluments and other benefits etc	411,960	598,960
	<u>          </u>	<u>          </u>

**3. TAXATION****Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK corporation tax	59,103	-
Deferred tax:		
Deferred taxation	7,313	(10,710)
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	66,416	(10,710)
	<u>          </u>	<u>          </u>

UK corporation tax has been charged at 19.75%

# BELLSTAN LIMITED

## Notes to the Financial Statements for the year ended 30 June 2002

### 4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST:</b>					
At 1 July 2001	12,365	118,239	3,570	349,186	483,360
Additions	-	10,500	4,114	38,022	52,636
Disposals	-	-	-	(4,995)	(4,995)
At 30 June 2002	12,365	128,739	7,684	382,213	531,001
<b>DEPRECIATION:</b>					
At 1 July 2001	2,635	65,274	2,530	250,450	320,889
Charge for year	124	15,867	1,288	34,065	51,344
Eliminated on disposal	-	-	-	(4,495)	(4,495)
At 30 June 2002	2,759	81,141	3,818	280,020	367,738
<b>NET BOOK VALUE:</b>					
At 30 June 2002	9,606	47,598	3,866	102,193	163,263
At 30 June 2001	9,730	52,965	1,040	98,736	162,471

### 5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	357,587	466,247
Other debtors	28,056	180,203
	385,643	646,450

As part of the scheme of arrangement restructuring the group as detailed in note 12, the amount due from the parent company, Quality Safety Markings Limited, at the balance sheet date amounting to £189,767, was written off in the year.

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	68,873	69,432
Taxation and social security	349,300	404,209
Other creditors	374,981	672,133
	793,154	1,145,774

### 7. PROVISION FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred tax	13,960	6,647

# BELLSTAN LIMITED

## Notes to the Financial Statements for the year ended 30 June 2002

### 7. PROVISION FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1 July 2001	6,647
Profit & loss account	7,313
	<hr/>
Balance at 30 June 2002	13,960
	<hr/>

Deferred tax provision

	2002 £	2001 £
Capital allowances in excess of depreciation	13,960	6,647
	<hr/>	<hr/>
	13,960	6,647
	<hr/>	<hr/>

### 8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
3,000	Ordinary	£1	3,000	3,000
			<hr/>	<hr/>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
2,600	Ordinary	£1	2,600	2,600
			<hr/>	<hr/>

### 9. RESERVES

	Profit and loss account £
At 1 July 2001	400,402
Retained profit for the year	28,739
	<hr/>
At 30 June 2002	429,141
	<hr/>

## **BELLSTAN LIMITED**

### **Notes to the Financial Statements for the year ended 30 June 2002**

#### **10. TRANSACTIONS WITH DIRECTORS**

During the year, loans to the company by the directors were made on an interest free basis with no fixed terms.

The loan at the beginning of the year in respect of Mr S R Zaremba stood at £(304,614), and £(147,150) at the end of the year. The maximum balance on the loan account during the year was £(304,614).

The loan at the beginning of the year in respect of Mr Z J Zaremba stood at £(286,084) and £(144,331) at the end of the year. The maximum balance on the loan account during the year was £(286,084).

#### **11. RELATED PARTY DISCLOSURES**

During the year, Quality Safety Markings Limited provided management services to Bellstan Limited in the sum of £0 (2001 £30,000). In addition, Bellstan Limited provided contracting services to Quality Safety Markings Limited in the sum of £0 (2001 £(5,000)).

#### **12. ULTIMATE PARENT UNDERTAKING**

The company's ultimate parent undertaking at the balance sheet date was Quality Safety Markings Limited, a company incorporated in England. Under a scheme of arrangement agreed by the members of Quality Safety Markings Limited after the balance sheet date, the group was restructured, such that the shareholder's of Quality Safety Markings Limited transferred their holdings in that company to Bellstan Limited, in exchange for equivalent holdings in Bellstan Limited. The effect of the restructuring was to substitute Bellstan Limited as the group's parent company, with Quality Safety Markings Limited as its 100% subsidiary. The members' interests in the group has not been affected. The accounts have been drawn up on the basis of this intention at the balance sheet date, and as such the inter-group loan amounting to £189,767 has been written off and is therefore included as an exceptional item within Administration costs.