

37/4392

# **Black Automatic Controls Limited**

## **Report and Accounts**

31 MARCH 2000



# Black Automatic Controls Limited

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Company no. 3714398

## **DIRECTORS**

A Evans  
M J Chillery  
G L Barnes

## **SECRETARY**

A Evans

## **AUDITORS**

Ernst & Young  
400 Capability Green  
Luton  
Bedfordshire  
LU1 3LU

## **REGISTERED OFFICE**

Bydand Lane  
Little Paxton  
Huntingdon  
PE19 4ES

 **ERNST & YOUNG**

# Black Automatic Controls Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the period ended 31 March 2000.

### RESULTS AND DIVIDENDS

The company was incorporated on 16 February 1999. The results for the period are shown on page 7 of these accounts. The company paid dividends amounting to £61,621 during the year. The directors do not recommend the payment of a final dividend. Dividends due but not declared on cumulative preference shares have been recognised in the profit and loss account.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period was as an investment holding company.

On 31 March 1999 the company acquired the entire share capital of Black Teknigas Limited. That company's principal activity is the manufacture and sale of valves and other controls for the gas and general industries.

### CHANGE OF NAME

On 31 March 1999 the company changed its name from Standmatter Limited to Black Automatic Controls Limited.

### DIRECTORS AND THEIR INTERESTS

The directors at 31 March 2000 and their interests in the share capital of the company were as follows:

R D Parker	(appointed 31 March 1999)
A Evans	(appointed 9 March 1999)
S W George	(appointed 31 March 1999)
M J Chillery	(appointed 9 March 1999)

Instant Companies Limited served as a director of the company from incorporation until their resignation on 9 March 1999. S W George resigned on 9 May 2000 and R D Parker resigned on 19 October 2000. In addition, C Martinez was appointed as a director on 30 May 2000 and resigned on 31 January 2001 and G L Barnes was appointed as a director of the company on 9 February 2001.

The directors' interests in the share capital of the company were as follows.

#### *On appointment*

	<i>Ordinary shares of 10p each</i>	<i>'B' preference shares of 10p each</i>
M J Chillery	14,062	124,399
A Evans	10,938	96,756

#### *At 31 March 2000*

	<i>Ordinary shares of 10p each</i>	<i>'B' preference shares of 10p each</i>
M J Chillery	14,062	109,352
A Evans	10,938	85,053

No director had an interest in the issued loan stock of the company.

DIRECTORS' REPORT

**AUDITORS**

Ernst & Young were appointed as auditors of the company, having expressed their willingness to continue in office as auditors, a resolution proposing their reappointment will be submitted at the Annual General Meeting.

Ernst & Young has stated that, subject to the approval of its partners, it is intending to transfer its business to a limited liability partnership during the year. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the board



Secretary

15 March 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts 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.

**REPORT OF THE AUDITORS**  
to the members of Black Automatic Controls Limited

We have audited the accounts on pages 7 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of opinion**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Y  
Registered Auditor  
Luton  
15 March 2001

# Black Automatic Controls Limited

## PROFIT AND LOSS ACCOUNT for the period ended 31 March 2000

		<i>13 months to 31 March 2000 £</i>
Administrative expenses		25,000
<b>OPERATING LOSS</b>		<u>(25,000)</u>
Income from investments:		
Dividends receivable		497,000
Interest payable and similar charges:		
Other loans		<u>(158,652)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>313,348</u>
Tax on profit on ordinary activities	3	<u>—</u>
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		<u>313,348</u>
Dividends:		
dividends paid on non-equity shares	4	61,621
other appropriations	4	<u>56,591</u>
<b>PROFIT RETAINED FOR THE FINANCIAL PERIOD</b>		<u><u>195,136</u></u>

There were no recognised gains or losses other than the profit for the period.

# Black Automatic Controls Limited

## BALANCE SHEET

at 31 March 2000

	Notes	2000 £
<b>FIXED ASSETS</b>		
Investments	5	1,687,338
<b>DEBTORS</b>		
Dividends receivable		97,000
<b>CREDITORS: amounts falling due within one year</b>	6	364,253
<b>NET CURRENT LIABILITIES</b>		(267,253)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,420,085
<b>CREDITORS: amounts falling due after more than one year</b>		
Amounts due to group undertakings	7	1,269,231
		150,854
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	124,127
Capital redemption reserve	9	25,000
Profit and loss account	9	1,727
Non-equity shareholders' funds		150,854

On behalf of the board



Director

15 March 2001



# Black Automatic Controls Limited

## NOTES TO THE ACCOUNTS

at 31 March 2000

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with accounting standards.

#### *Group accounts*

The directors have taken advantage of Section 248 of the Companies Act and not prepared group accounts.

#### *Fixed assets*

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

### 2. DIRECTORS' EMOLUMENTS

The directors did not receive any remuneration for their services as directors of the company during the period.

### 3. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no charge to corporation tax on the profit for the year due to taxable losses incurred.

### 4. DIVIDENDS AND OTHER APPROPRIATIONS

	£
Non-equity interim dividends paid on preference shares:	
'A' preference shares	59,076
preferred ordinary shares	2,545
	<hr/>
	61,621
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Other appropriations:	
Unpaid cumulative preference share dividends:	
'A' preference shares	54,053
preferred ordinary shares	2,538
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	56,591
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Dividends on the 10% 'A' Cumulative Preference shares and 8% preferred ordinary shares which were due in the year but not paid have been recognised in line with the requirements of Financial Reporting Standard 4, Capital Instruments. As these dividends have not been declared at the year end, they have been added back to profit and loss reserves (note 9).

# Black Automatic Controls Limited

## NOTES TO THE ACCOUNTS

at 31 March 2000

### 5. INVESTMENTS

	£
Cost:	
On incorporation	—
Additions	1,687,338
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At 31 March 2000	1,687,338
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The company has a 100% holding in the issued ordinary share capital of Black Teknigas Limited, a company registered in England and Wales. For the year to 31 March 2000, Black Teknigas Limited made a profit of £324,960 (1999: £636,328) and had shareholders funds of £1,135,078 (1999: £1,307,118).

### 6. CREDITORS: amounts falling due within one year

	2000 £
Amounts due to subsidiary undertakings	46,946
Accruals	317,307
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	364,253
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### 7. CREDITORS: amounts falling due after more than one year

	2000 £
Other loans	1,269,231
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### 8. SHARE CAPITAL

	<i>Authorised, allotted, called up and fully paid</i>	
	2000 No.	2000 £
Ordinary shares of 10p each	25,000	2,500
'A' preference shares of 10p each	958,404	95,840
'B' preference shares of 10p each	194,405	19,441
Preferred ordinary shares of 10p each	63,461	6,346
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	1,241,270	124,127
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NOTES TO THE ACCOUNTS

at 31 March 2000

8. **SHARE CAPITAL (continued)**

On incorporation, 2 shares were issued at par. On 31 March 1999 each £1 ordinary share was subdivided into 10 ordinary shares of 10p. Also on that date the authorised and issued share capital was increased to £149,127 by the creation of 1,181,654 'A' preference shares of 10p each, 221,155 'B' preference shares of 10p each, 63,461 preferred ordinary shares of 10p each and 24,980 ordinary shares of 10p each.

The company has taken advantage of section 131 of the Companies Act 1985 and not accounted for the premium on shares issued as consideration for the shares of subsidiary undertakings.

On 7 January 2000, 223,250 'A' preference shares and 26,750 'B' preference shares were redeemed in cash at a premium of 90p per share amounting to £250,000, which has been charged to profit and loss reserves. A capital redemption reserve of £25,000, representing the nominal value of shares redeemed, has been created.

A summary of the rights attaching to the shares, all of which are non-equity shares, is as follows:

(a) *'A' Preference shares*

Dividends - a cumulative fixed dividend of 10% per annum payable half yearly in arrears.

Redemption - if not redeemed before 30 June 2005, the cumulative dividend is increased to the higher of 10% and 3% above LIBOR until redemption.

Voting- the holders are entitled to receive notice and attend general meetings but not to vote unless dividends are in arrears by more than three months.

(b) *'B' Preference shares*

Dividends - after repayment of the loan stock and after provision for payment of preferential dividends, 'B' preference shares will pay a fixed cumulative dividend of 8% per annum.

Redemption - to be redeemed, at the subscription price, twelve calendar months after the last 'A' preference share has been redeemed, unless by the agreement of the other classes of shareholders. On return of assets on liquidation, the holders of the 'B' preference shares are entitled to the return of the subscription price of the shares subject to the rights of the 'A' Preference shareholders, but in preference to all other class of shareholder.

Voting - the holders are entitled to receive notice and attend general meetings but not to vote unless dividends are in arrears by more than three months.

(c) *Preferred Ordinary Shares*

Dividends - after making provision for 'A' and 'B' preference share dividends, preferred ordinary shares are entitled to a cumulative fixed dividend commencing of 8% per annum From (and inclusive of) the financial year ending 31 March 2003 and subject to payment in full of the preference dividend, a sum equal to 10% of profit before tax of the company such that it exceeds £1m.

Redemption - on return of assets in a liquidation, subject to the rights of the 'A' and 'B' preference shares and payment of all dividend arrears, holders are entitled to the return of the subscription price together with any balance shared equally with the ordinary shares.

Voting - holders of the preferred ordinary shares are entitled to one vote per share at general meetings.

# Black Automatic Controls Limited

## NOTES TO THE ACCOUNTS

at 31 March 2000

### 8. SHARE CAPITAL AND RESERVES (continued)

#### (d) Ordinary Shares

Dividends – after repayment of the loan stock and after provision for payment of preferential dividends, ordinary shares will pay a fixed cumulative fixed dividend of 8% per annum.

Redemption – on return of assets in a liquidation, subject to the rights of the 'A' and 'B' preference and preferred ordinary shares, holders are entitled to the return of the subscription price together with any balance shared equally with the preferred ordinary shares.

Voting – holders of the ordinary shares are entitled to one vote per share at general meetings.

Full details of the rights attributable to the different classes of shares are given in the company's Articles of Associations.

### 9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Profit and loss account</i>	<i>Share capital</i>	<i>Capital redemption reserve</i>	<i>Total shareholders' funds</i>
	£	£	£	£
On incorporation	–	2	–	2
Created on acquisition of investments	–	149,125	–	149,125
Transfer in respect of redemption of shares	(250,000)	(25,000)	25,000	(250,000)
Profit for the period	195,136	–	–	195,136
Transfer in respect of other appropriations (note 4)	56,591	–	–	56,591
At 31 March 2000	1,727	124,127	25,000	150,854

### 10. CONTINGENT LIABILITIES

At the balance sheet date, the company had given a guarantees to the bankers in respect of borrowings of its subsidiary company, Black Teknigas Limited. At 31 March 2000, bank borrowings made by that company totalled £1,450,000.

### 11. RELATED PARTIES

The company has taken advantage of the exemption in FRS 8 and not disclosed transactions with other group undertakings.