

**Banlaw (Europe) Limited**  
**Annual report**  
**for the year ended 30 June 2002**

**Registered Number 126306**



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**for the year ended 30 June 2002**  
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# **Banlaw (Europe) Limited**

## **Directors and Advisors for the year ended 30 June 2002**

### **Directors**

R J Levack (Chairman)

C Rautenberg

### **Secretary**

E Galashan

### **Accountants**

PricewaterhouseCoopers

Kintyre House

209 West George Street

GLASGOW

G2 2LW

### **Bankers**

Bank of Scotland

110 Queen Street

GLASGOW

G1 3BY

### **Registered Office**

Unit 1/3

Auchinraith Estate

Blantyre

GLASGOW

G72 0NJ

### **Registered Number**

126306

# Banlaw (Europe) Limited

## Directors' report for the year ended 30 June 2002

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

### Principal activities

The profit and loss account for the year is set out on page 4.

### Review of business and future developments

Both the level of business and the year end financial position remain satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and dividends

The directors do not recommend the payment of a dividend. The (loss)/profit for the financial year of (£67,274) (2001: £27,631 profit) has been transferred to reserves.

### Directors and their interests

The directors of the company at 30 June 2002 and throughout the year ended on that date are listed on page 1.

The interests of the directors of the company in the shares of the company at 30 June 2002 together with their interests at 30 June 2001, were:

	2002 Number	2001 Number
<b>Ordinary shares of £1 each</b>		
R J Levack	51,256	51,256
C Rautenberg	46,235	46,235

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

This report has been prepared in accordance with the specific provision of Part 7 of the Companies Act 1985, relating to small companies.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2002 and that applicable accounting standards have been followed.

## **Banlaw (Europe) Limited**

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.

By order of the Board

A handwritten signature in black ink, appearing to read 'Richard J. Levack', written over a horizontal line.

**Richard J. Levack**

**Chairman**

**3 November, 2003.**

# Banlaw (Europe) Limited

## Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover	2	551,267	407,268
Cost of sales		(396,165)	(195,186)
Gross profit		155,102	212,082
Administrative expenses		(230,505)	(184,568)
Operating profit		(75,403)	27,514
Interest payable and similar charges	3	(9,461)	(10,449)
		(84,864)	17,065
Interest receivable		85	-
Profit on ordinary activities before taxation	6	(84,779)	17,065
Tax on ordinary activities	7	17,505	10,566
Retained profit for the year	14	(67,274)	27,631

All operations of the company are continuing.

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

# Banlaw (Europe) Limited

## Balance sheet as at 30 June 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>	8	<b>145,693</b>	<b>199,726</b>
<b>Current assets</b>			
Stock and work in progress	9	244,296	352,432
Debtors	10	405,789	412,385
Cash at bank and in hand		27,002	250
<b>Creditors: amounts falling due within one year</b>	11	<b>646,031</b>	<b>659,477</b>
<b>Net current assets /(liabilities)</b>		<b>31,056</b>	<b>105,590</b>
<b>Total assets plus current assets/ ( less current liabilities)</b>		<b>176,749</b>	<b>305,316</b>
<b>Creditors : amounts falling due after more than one year</b>		<b>13,418</b>	<b>57,822</b>
<b>Provisions for liabilities and charges</b>	12	<b>9,982</b>	<b>26,871</b>
		<b>153,349</b>	<b>220,623</b>
<b>Capital and reserves</b>			
Share capital	13	187,100	187,100
Profit and loss account	14	(33,751)	33,523
<b>Equity shareholders' funds</b>	15	<b>153,349</b>	<b>220,623</b>

For the year ended 30 June 2002 the company was entitled to exemption under section 249A (1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B (2).

The directors acknowledge their responsibility for :

Ensuring the company keeps accounting records which comply with section 221; and

- i) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

## **Banlaw (Europe) Limited**

The financial statements on pages 5 to 13 were approved by the board of directors on 3 November 2003 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R. J. Levack', with a long horizontal stroke extending to the right.

**Richard J. Levack,**

**Chairman.**

**3 November, 2003.**



# Banlaw (Europe) Limited

## Notes to the financial statements for the year ended 30 June 2002

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently is set out below

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Plant & equipment	-	20 - 25%	Reducing balance and straight line
Motor vehicles	-	25%	Reducing balance
Office equipment	-	20 - 25%	Straight line

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### **Long-term contracts**

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as long-term contract balances.

#### **Finance and operating leases**

Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give constant periodic rate of charge on the remaining balance outstanding at each accounting period. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets

#### **Deferred taxation**

Under FRS 19 full provision is made for deferred taxation liabilities arising in relation to timing differences, on a non-discounted basis.

#### **Cash flow statement**

The company qualifies as a small company under Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

# Banlaw (Europe) Limited

## 2 Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

It is the directors' opinion that disclosure of geographical analysis of turnover would be prejudicial to the interests of the company

## 3 Interest payable and similar charges

	2002	2001
	£	£
Bank interest	3,210	5,165
Interest payable on obligations under finance leases and hire purchase contracts	6,006	3,696
Loan interest	-	-
Other interest	245	1,588
	9,461	10,449

## 4 Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	-	-

## 5 Employee information

The average number of employees, including directors, employed by the company during the year was:

By activity	2002	2001
Administration	3	3
Operation	2	3
	5	6

# Banlaw (Europe) Limited

## 5 Employee information (continued)

Staff costs for the year were	2002	2001
	£	£
Salaries	76,370	85,581
Social security costs	6,861	7,482
Pension costs	2,169	2,055
	85,400	95,118

## 6 Profit on ordinary activities before taxation

	2002	2001
	£	£
The loss for the year is stated after charging/(crediting):		
Depreciation of tangible fixed assets	36,715	51,081
Gain/loss on sale of assets	38,296	-

# Banlaw (Europe) Limited

## 7 Tax on profit on ordinary activities

Analysis of tax charge in period:

	2002 £	2001 £
Current tax:		
UK corporation tax on profits at 19% (2001: 20%)	(562)	4,565
Under/(over) provision in respect of prior years	(54)	
Total current tax	(616)	4,565
Deferred tax:	-	-
Origination and reversal of timing differences	(16,889)	(15,131)
Tax on profit on ordinary activities	(17,505)	(10,566)

A reconciliation of the actual current tax charge to the expected current tax

Charge for the period is as follows:

Factors affecting tax charge for the period

Profit/ (loss) before tax	(84,779)	17,065
Profit on ordinary activities multiplied by the standard rate of		
Corporation tax of 19% (2001: 20%)	(16,108)	3,413
<u>Effects of:</u>		
Other short term timing differences (tax losses)	12,828	(3,804)
Capital allowances in excess of depreciation	2,718	4,956
Prior year adjustments	(54)	
Total current tax charge for the period	(616)	4,565
Effect of deferred tax	(16,889)	(15,131)
Total tax charge for the period	(17,505)	(10,566)

# Banlaw (Europe) Limited

## 8 Tangible fixed assets

	Motor vehicles	Plant & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 July 2001	13,249	644,522	657,771
Disposals of assets	(4,250)	(80,000)	(84,250)
<b>At 30 June 2002</b>	<b>8,999</b>	<b>564,522</b>	<b>573,521</b>
<b>Depreciation</b>			
At 1 July 2001	9,591	448,454	458,045
Charge for the year	578	36,136	36,714
Disposals off assets	(2,905)	(64,026)	(66,931)
<b>At 30 June 2002</b>	<b>7,264</b>	<b>420,564</b>	<b>427,828</b>
<b>Net book value</b>			
<b>At 30 June 2002</b>	<b>1,735</b>	<b>143,958</b>	<b>145,693</b>
<b>Net book value</b>			
<b>At 30 June 2001</b>	<b>3,658</b>	<b>196,068</b>	<b>199,726</b>

The net book value of plant and equipment includes an amount of £ 84,536 (2001: £121,644) in respect of assets held under hire purchase contracts.

## 9 Stocks

	2002 £	2001 £
Finished goods	22,511	22,511
Long term contract	221,785	329,921
	<b>244,296</b>	<b>352,432</b>

# Banlaw (Europe) Limited

## 10 Debtors

	2002	2001
	£	£
<b>Amounts falling due within one year</b>		
Trade debtors	396,658	386,713
Other debtors	5,670	25,672
Corporation tax	319	-
Other tax and social security	3,142	-
	<b>405,789</b>	<b>412,385</b>

During the period the company entered into transactions with M74, a partnership wholly owned by Mr R J Levack and Mrs M S Levack. These transactions can be summarised as follows:-

	2002	2001
	£	£
Sales to M74	-	-
Purchases from M74	-	-
Amount included in trade debtors	-	-
Amount included in other debtors	-	-
Amount included in trade creditors	0	556

The company also entered into transactions with Banlaw Africa Limited of which Mr. R J Levack and Mr. C Rautenberg are directors. The total value of these transactions can be summarised as follows:

	2002	2001
	£	£
Sales to Banlaw Africa Limited	65,267	20,463
Amount included in trade debtors	57,548	10,393
Amount included in other debtors	315	25,672

# Banlaw (Europe) Limited

## 11 Creditors – amounts falling due within one year

	2002 £	2001 £
Bank overdraft	0	66,254
Trade creditors	172,123	125,110
Accruals and deferred income	60,296	49,271
Other taxation and social security costs	3,931	37,352
Corporation Tax	-	616
Obligations under finance leases and hire purchase contracts	44,866	73,756
Other creditors	300,217	306,623
Director's loan	64,598	495
	<b>646,031</b>	<b>659,477</b>

The director's loan is unsecured and repayable on demand with no interest payable.

Other creditors comprise of funding received in respect of finance leases.

## 12 Provisions for liabilities and charges

	2002 £	2001 £
<b>Deferred taxation</b>		
At 1 July 2001	26,871	42,002
Transferred to profit and loss account	(16,889)	(15,131)
<b>At 30 June 2002</b>	<b>9,982</b>	<b>26,871</b>

Deferred taxation provided in the financial statements and the total potential liability is as follows:

	Amount provided		Full potential	
	2002 £	2001 £	2002 £	2001 £
Accelerated capital allowances	22,810	26,871	22,810	26,871
Other timing differences	(12,828)		(12,828)	
	<b>9,982</b>	<b>26,871</b>	<b>9,982</b>	<b>26,871</b>

# Banlaw (Europe) Limited



## 13 Called up share capital

	2002	2001
	£	£
<b>Authorised</b>		
187,100 (2001: 187,100) ordinary shares of £1 each	187,100	187,100
<b>Allotted, called up and fully paid</b>		
187,100 (2001: 187,100) ordinary shares of £1 each	187,100	187,100

## 14 Profit and loss account

	2002	2001
	£	£
At 1 July 2001	33,523	5,892
(Loss)/ profit for the year	(67,274)	27,631
<b>At 30 June 2002</b>	<b>(33,751)</b>	<b>33,523</b>

## 15 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Opening shareholders' funds	220,623	192,992
(Loss)/ profit for the year	(67,274)	27,631
<b>Closing shareholders' funds</b>	<b>153,349</b>	<b>220,623</b>

## 16 Capital commitments

The company had no capital commitments at the balance sheet date (2001 £nil).