

M L Banfield & Sons Limited

Report and Unaudited Financial Statements

Year Ended

31 December 2002



M L Banfield & Sons Limited

Annual report and financial statements for the year ended 31 December 2002

Contents

Page:

1	Report of the directors
2	Accountants' report
3	Profit and loss account
4	Balance sheet
5	Notes forming part of the financial statements

Directors

J E Banfield
J M Banfield
P R Banfield
A D Banfield

Secretary and registered office

J M Banfield, 1/2 Little Western Street, Brighton, East Sussex, BN1 2QH

Company number

527152

Accountants

Baker Tilly, First Floor, International House,
Queens Road, Brighton, BN1 3XE

Business address

1/2 Little Western Street, Brighton, East Sussex, BN1 2QH

M L Banfield & Sons Limited

Report of the directors for the year ended 31 December 2002

The directors present their report together with the financial statements for the year ended 31 December 2002.

Results

The profit and loss account is set out on page 3 and shows the profit for the year.

Principal activities

The principal activity of the company during the year continued to be that of builders ironmongers and locksmiths.

Directors

The directors of the company during the year and their beneficial interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	31 December 2002	1 January 2002
J E Banfield	1,550	1,550
J M Banfield	1,550	1,550
P R Banfield	950	950
A D Banfield	950	950

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

J M Banfield

Director

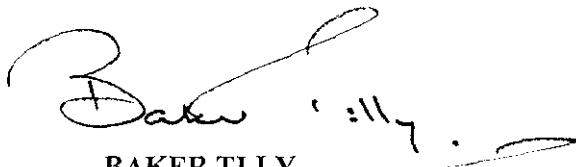
29th April 2003

M L Banfield & Sons Limited

Accountants' Report on the Unaudited Financial Statements

To the directors of M L Banfield & Sons Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2002, set out on pages 3 to 10, and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



BAKER TILLY
Chartered Accountants
Brighton

29th April 2003

The notes on pages 5 to 10 form part of these financial statements.

M L Banfield & Sons Limited

Profit and loss account for the year ended 31 December 2002

	Note	2002 £	2001 £
Turnover	2	879,040	859,594
Cost of sales		564,179	532,206
Gross profit		314,861	327,388
Administrative expenses		290,961	280,714
		23,900	46,674
Other operating income		13,433	5,154
Operating profit	3	37,333	51,828
Other interest receivable and similar income	5	122	467
Interest payable and similar charges	6	(7)	(1,610)
Profit on ordinary activities before taxation		37,448	50,685
Taxation on profit on ordinary activities	7	5,188	10,153
Profit on ordinary activities after taxation		32,260	40,532
Dividends		29,000	29,000
Retained profit		3,260	11,532
Retained profit brought forward		206,531	194,999
Retained profit carried forward		209,791	206,531

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 5 to 10 form part of these financial statements.

M L Banfield & Sons Limited

Balance sheet at 31 December 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	8		117,404		119,514
Current assets					
Stocks		128,063		134,802	
Debtors	9	60,314		56,871	
Cash at bank and in hand		9,854		7,694	
		<u>198,231</u>		<u>199,367</u>	
Creditors: amounts falling due within one year	10	<u>100,844</u>		<u>107,350</u>	
Net current assets			<u>97,387</u>		<u>92,017</u>
Total assets less current liabilities			<u>214,791</u>		<u>211,531</u>
Capital and reserves					
Called up share capital	11		5,000		5,000
Profit and loss account			209,791		206,531
			<u>214,791</u>		<u>211,531</u>
Equity shareholders' funds	12		<u>214,791</u>		<u>211,531</u>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

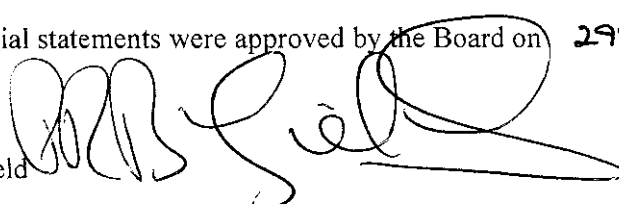
The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 29th April 2003

P R Banfield
Director



The notes on pages 5 to 10 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Plant and machinery	- 15% straight line
Motor vehicles	- 25% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance

Statement of Standard Accounting Practice Number 19 requires that investment properties should not be depreciated but should be included in the balance sheet at their open market value. However, the directors are unable to value the properties themselves and consider that the expense of professional revaluations would be out of proportion to the value to the members. The investment properties are therefore stated in the balance sheet at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

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

Deferred tax balances are not discounted.

Leased assets

Annual rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

1 Accounting policies (continued)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

None of the company's turnover in the current and prior years is attributable to markets outside the United Kingdom.

3 Operating profit

	2002 £	2001 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,056	1,358
Hire of other assets - operating leases	3,000	3,000
Rent receivable (net)	(13,433)	(5,154)
	<u> </u>	<u> </u>

4 Directors' remuneration

	2002 £	2001 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	223,908	211,908
	<u> </u>	<u> </u>

There were 3 directors in the company's defined contribution pension scheme during the year (2001 - 3).

5 Other interest receivable and similar income

	2002 £	2001 £
Bank deposits	122	467
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2002 £	2001 £
Bank loans and overdrafts	7	1,610
	<u> </u>	<u> </u>

M L Banfield & Sons Limited

Notes forming part of the financial statements for the year ended 31 December 2002 (continued)

7 Taxation on profit on ordinary activities

	2002 £	2001 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	5,762	10,395
Adjustment in respect of previous periods	(574)	(242)
	<u>5,188</u>	<u>10,153</u>
Total current tax	<u>5,188</u>	<u>10,153</u>

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>37,448</u>	<u>50,685</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2001 - 20%)	7,115	10,137
Effect of:		
Expenses not deductible for tax purposes	11	1,058
Capital allowances for period in excess of depreciation	(851)	(800)
Profits chargeable at previous tax rate	83	-
Adjustment to tax charge in respect of previous periods	(574)	(242)
Marginal relief	(596)	-
Current tax charge for period	<u>5,188</u>	<u>10,153</u>

M L Banfield & Sons Limited

Notes forming part of the financial statements for the year ended 31 December 2002 *(continued)*

8 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<i>Cost</i>			
At 1 January 2002	114,272	19,937	134,209
Additions	(1,054)	-	(1,054)
	<u>113,218</u>	<u>19,937</u>	<u>133,155</u>
<i>Depreciation</i>			
At 1 January 2002	-	14,695	14,695
Provided for the year	-	1,056	1,056
	<u>-</u>	<u>15,751</u>	<u>15,751</u>
<i>Net book value</i>			
At 31 December 2002	<u>113,218</u>	<u>4,186</u>	<u>117,404</u>
At 31 December 2001	<u>114,272</u>	<u>5,242</u>	<u>119,514</u>

Included in land and buildings are investment properties with a net book value of £113,218 (2001 - £114,272).

9 Debtors

	2002 £	2001 £
Trade debtors	56,708	52,690
Other debtors	3,606	4,181
	<u>60,314</u>	<u>56,871</u>

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts (secured)	-	13,100
Trade creditors	22,543	16,737
Taxation and social security	15,874	19,136
Other creditors	62,427	58,377
	<u>100,844</u>	<u>107,350</u>

11 Share capital

	2002	Authorised	Allotted, called up and fully paid	
	2002	2001	2002	2001
	£	£	£	£
<i>Equity share capital</i>				
5,000 Ordinary shares of £1 each	5,000	5,000	5,000	5,000

12 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the year	32,260	40,532
Dividends	(29,000)	(29,000)
	3,260	11,532
Opening shareholders' funds	211,531	199,999
Closing shareholders' funds	214,791	211,531

13 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. The pension charge represents contributions payable by the company to the fund and amounted to £8,211 (2001 - £7,973).

14 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2002	2001
	Land and buildings	Land and buildings
	£	£
Operating leases which expire:		
After five years	3,000	3,000

15 Related party disclosures

Controlling parties

The company is controlled by its four directors who are responsible for the day to day running of the company and who between them own 100% of the company's issued share capital.

Related party transactions and balances

The company traded from premises owned by certain of its directors and shareholders to whom the company paid rent of £3,000 (2001: £3,000) in the year.