

SC 130511

Rybka Smith Ginsler and Battle

Scotland Limited

Report and Financial Statements

Year Ended

30 June 2002



BDO Stoy Hayward
Chartered Accountants



Rybka Smith Ginsler and Battle Scotland Limited

Annual report and financial statements for the year ended 30 June 2002

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Directors

D Macleod
N F Fischer (Non-executive)
C Hodge
C D F Matson (Non-executive)
R Armstrong (Non-executive)

Secretary and registered office

BLP Secretaries Ltd, 24 Rutland Street, Edinburgh EH1 2AN

Company number

130511

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL

Rybka Smith Ginsler and Battle Scotland Limited

Report of the directors for the year ended 30 June 2002

The directors present report together with the audited financial statements for the year ended 30 June 2002.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a dividend for the year under review.

Principal activities, review of business and future developments

The company supplies engineering design services.

The company has seen continued growth in turnover this financial year. The directors confidently predict further growth in the future.

Directors

The directors of the company from 1 July 2001 and interests in the ordinary share capital of the company were:

		Number of £1 ordinary shares held	
		30 June 2002	1 July 2001
T Q Battle	(Resigned 15 November 2001)	-	800
D Macleod		5,500	5,500
B A Bath	(Resigned 15 November 2001)	-	-
N F Fischer		-	-
P May	(Resigned 5 June 2003)	1,500	1,500
C Hodge		2,200	2,200
C D F Matson		-	-
R Armstrong	(Appointed 15 November 2001)	-	-

Rybka Smith Ginsler and Battle Scotland Limited

Report of the directors for the year ended 30 June 2002 (*Continued*)

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 year. 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; and
- 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

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

Director

Date:



24 July 2003

To the shareholders of Rybka Smith Ginsler and Battle Scotland Limited

We have audited the financial statements of Rybka Smith Ginsler and Battle Scotland Limited for the year ended 30 June 2002 on pages 5 to 15 which have been prepared under the accounting policies set out on page 7 to 8

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

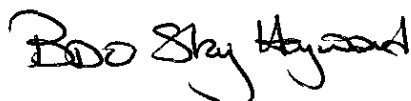
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Rybka Smith Ginsler and Battle Scotland Limited

Report of the independent auditors (*Continued*)

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.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

Date: 29 July 2003

Rybka Smith Ginsler and Battle Scotland Limited**Profit and loss account for the year ended 30 June 2002**

	Note	2002 £	2001 £
Turnover	2	2,036,636	1,960,373
Cost of sales		676,069	616,032
Gross profit		1,360,567	1,344,341
Administrative expenses		1,261,798	1,213,814
Operating profit	3	98,769	130,527
Other interest receivable and similar income	6	4,737	17,841
Interest payable and similar charges	7	(25,724)	(1,753)
Profit on ordinary activities before taxation		77,782	146,615
Taxation on profit on ordinary activities	8	20,788	34,989
Profit on ordinary activities after taxation for the year		56,994	111,626
Retained profit brought forward		260,942	149,316
Retained profit carried forward		317,936	260,942

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.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 15 form part of these financial statements.

Rybka Smith Ginsler and Battle Scotland Limited

Balance sheet at 30 June 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	9		148,449		149,805
Current assets					
Stocks	10	12,682		13,051	
Debtors	11	1,016,765		749,989	
Cash at bank and in hand		470		456,927	
		<u>1,029,917</u>		<u>1,219,967</u>	
Creditors: amounts falling due within one year	12	828,857		1,072,639	
Net current assets			<u>201,060</u>		<u>147,328</u>
Total assets less current liabilities			<u>349,509</u>		<u>297,133</u>
Creditors: amounts falling due after more than one year	13	-		3,563	
Provision for liabilities and charges	14	11,573		12,628	
		<u>11,573</u>		<u>16,191</u>	
			<u>337,936</u>		<u>280,942</u>
Capital and reserves					
Called up share capital	15	20,000		20,000	
Profit and loss account	16	317,936		260,942	
Equity shareholders' funds			<u>337,936</u>		<u>280,942</u>

The financial statements were approved by the Board on 24 July 2003

Director



The notes on pages 7 to 15 form part of these financial statements.

Rybka Smith Ginsler and Battle Scotland Limited

Notes forming part of the financial statements for the year ended 30 June 2002

1 Accounting policies

The financial statements have been prepared under the historical cost convention. 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 sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Furniture and office equipment	- 20% per annum straight line
Motor vehicles	- to reduce the net book value to realisable value

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.

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Leased assets

Operating lease annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Rybka Smith Ginsler and Battle Scotland Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (*Continued*)

1 Accounting policies (*continued*)

Pensions

Contributions made by the company to personal pension schemes are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2002 £	2001 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	44,535	24,262
Hire of plant and machinery - operating leases	13,975	45,496
Hire of other assets - operating leases	38,439	39,938
Auditors' remuneration	8,000	7,250

4 Employees

Staff costs (including directors) consist of:

	2002 £	2001 £
Wages and salaries	1,019,043	1,065,410
Social security costs	121,561	121,216
Other pension costs	44,645	21,634
	<u>1,185,249</u>	<u>1,208,260</u>

The average number of employees (including directors) during the year was 34 (2001 - 31).

Included in wages and salaries is an amount for freelance staff of £35,958 (2001 - £40,105).

Rybka Smith Ginsler and Battle Scotland Limited**Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)****5 Directors' remuneration**

	2002 £	2001 £
Directors' emoluments and fees	232,405	341,004
Company contributions to money purchase pension schemes	11,610	11,592
	<u> </u>	<u> </u>

The total amount payable to the highest paid director in respect of emoluments was £124,155 (2001 - £168,038).

The number of directors receiving contributions to personal pension plans was 2 (2001-2).

6 Other interest receivable and similar income

	2002 £	2001 £
Bank deposits	4,737	17,841
	<u> </u>	<u> </u>

7 Interest payable and similar charges

	2002 £	2001 £
Bank loans and overdrafts	25,724	12
Other loans	-	1,741
	<u> </u>	<u> </u>
	25,724	1,753
	<u> </u>	<u> </u>

Rybka Smith Ginsler and Battle Scotland Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)

8 Taxation on profit on ordinary activities

	2002 £	2001 £
<i>Current tax</i>		
UK corporation tax on profits of the year	21,843	30,632
Adjustment in respect of previous periods	-	(555)
	<u>21,843</u>	<u>30,077</u>
Total current tax	21,843	30,077
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,055)	4,912
	<u>(1,055)</u>	<u>4,912</u>
Taxation on profit on ordinary activities	<u>20,788</u>	<u>34,989</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	77,782	146,615
	<u>77,782</u>	<u>146,615</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.75 (2001 - 20)	15,362	29,323
Effect of:		
Expenses not deductible for tax purposes	5,310	8,944
Capital allowances for period in excess of depreciation	1,171	(7,635)
Adjustment to tax charge in respect of previous periods	-	(555)
	<u>6,451</u>	<u>774</u>
Current tax charge for period	<u>21,843</u>	<u>30,077</u>

Rybka Smith Ginsler and Battle Scotland Limited**Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)****9 Tangible fixed assets**

	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>			
At 1 July 2001	7,179	214,287	221,466
Additions	-	43,179	43,179
At 30 June 2002	7,179	257,466	264,645
<i>Depreciation</i>			
At 1 July 2001	7,179	64,482	71,661
Provided for the year	-	44,535	44,535
At 30 June 2002	7,179	109,017	116,196
<i>Net book value</i>			
At 30 June 2002	-	148,449	148,449
At 30 June 2001	-	149,805	149,805

There were no capital commitments at either this or the previous balance sheet date.

10 Stocks

	2002 £	2001 £
Work in progress	12,682	13,051

Rybka Smith Ginsler and Battle Scotland Limited**Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)****11 Debtors**

	2002 £	2001 £
Trade debtors	521,472	513,618
Amounts owed by group undertakings	332,648	96,161
Prepayments and accrued income	79,066	57,500
Amounts recoverable on contracts	83,579	82,710
	<u>1,016,765</u>	<u>749,989</u>

All amounts shown under debtors fall due for payment within one year.

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts (secured)	61,855	-
Other loans	3,563	4,086
Payments received on account	128,932	443,941
Trade creditors	56,758	45,613
Corporation tax	52,475	30,632
Other taxation and social security	318,379	84,032
Accruals and deferred income	206,895	464,335
	<u>828,857</u>	<u>1,072,639</u>

13 Creditors: amounts falling due after more than one year

	2002 £	2001 £
Loan instalments	-	3,563
	<u>-</u>	<u>3,563</u>

Rybka Smith Ginsler and Battle Scotland Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)

13 Creditors: amounts falling due after more than one year (Continued)

Maturity of debt:

	Other debt 2002 £	Other debt 2001 £
In one year or less, or on demand	65,418	4,086
In more than one year but not more than two years	-	3,563

14 Provision for liabilities and charges

		Deferred taxation £
At 1 July 2001		12,628
Credited to profit and loss account		(1,055)
At 30 June 2002		11,573
<i>Deferred taxation</i>		
	2002 £	2001 £
Accelerated capital allowances	11,573	12,628

There is no unprovided deferred taxation.

15 Share capital

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000

Rybka Smith Ginsler and Battle Scotland Limited**Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)****16 Reserves**

	Profit and loss account £
At 1 July 2001	260,942
Profit for the year	56,994
At 30 June 2002	317,936

17 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the year	56,994	111,626
Opening shareholders' funds	280,942	169,316
Closing shareholders' funds	337,936	280,942

18 Contingent liabilities

The company has entered into an unlimited cross guarantee with the company's bankers, The Royal Bank of Scotland Bank Plc, for the balances owing by Rybka Smith Ginsler and Battle London Limited. At the year end the amount guaranteed was £259,411 (2001 - £422,186).

19 Commitments under operating leases

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

	2002 Land and buildings £	2002 Other £	2001 Land and buildings £	2001 Other £
Operating leases which expire:				
Within one year	7,396	8,837	7,396	10,327
In two to five years	5,500	17,339	-	25,166
After five years	36,667	-	30,000	-
	49,563	26,176	37,396	35,493

20 Related party disclosures

Directors' emoluments and fees include amounts invoiced by directors for consultancy services as follows:

T Q Battle	£Nil	(2001 - £21,600)
C D F Matson	£13,333	(2001 - £5,000)

During the year the company was involved in the following transactions with Rybka Smith Ginsler and Battle London Limited.

Management fee charged	£58,094	(2001 - £38,146)
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This transaction is considered to be at an arm's length price and on normal commercial terms.

The outstanding balance between the companies at the year end was a debtor of £332,648 (2001 - debtor of £96,161).

Both companies are 50% owned by Rybka Smith and Ginsler Limited, a company incorporated in Canada.

In addition the company was involved in the following transactions with Rybka Smith and Ginsler Limited:

Consultancy fees received	£1,246	(2001 - £NIL)
Management fees incurred	£1,000	(2001 - £130,000)

The outstanding balance between the companies at the year end was a debtor of £3,136 (2001 - £19,812).