

COMPANY REGISTRATION NUMBER 06287006

**BRADMAN-LAKE LIMITED**

**ACCOUNTS**

**31 DECEMBER 2012**

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**BRADMAN-LAKE LIMITED**

**ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**BRADMAN-LAKE LIMITED**

**OFFICERS AND PROFESSIONAL ADVISORS**

**YEAR ENDED 31 DECEMBER 2012**

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**Directors**

B A Watson  
J Marlee

**Company secretary**

B A Watson

**Registered office**

Enterprise Way  
Retford  
Nottinghamshire  
DN22 7HH

**Auditor**

Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

**Bankers**

Barclays Bank plc  
One Snowhill  
Snowhill Queensway  
Birmingham  
B3 2WN

## **BRADMAN-LAKE LIMITED**

### **DIRECTORS' REPORT**

#### **YEAR ENDED 31 DECEMBER 2012**

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The Directors have pleasure in presenting their Report and the Accounts of the Company for the year to 31 December 2012

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the Company during the period was that of the manufacture and sale of packaging equipment

The Directors consider the results for the year to be satisfactory and they are confident of the future prospects of the Company

#### **RESULTS AND DIVIDENDS**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached accounts

The Directors have not recommended a final dividend. An interim dividend of €2,047,315 was paid to Langley Holdings plc

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors of Langley Holdings plc manage the Group's risks at a group level rather than at an individual company level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the business of Bradman-Lake Limited. The principal risks and uncertainties of Langley Holdings plc, which include those of Bradman-Lake Limited, are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND STRATEGIES**

The Company's operations expose it to a variety of financial risks, which include cash flow fluctuation.

The Company has a policy of maintaining sufficient cash levels and has committed credit facilities made available through the Group.

The policies set down by the Board of Directors are implemented by the Company's finance department and are subject to regular reviews by the Board.

#### **KEY PERFORMANCE INDICATORS**

The Directors of Langley Holdings plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance and position of the business of Bradman-Lake Limited. The key performance indicators of Langley Holdings plc and its Group are discussed in the Directors' Report of the Group's Annual Report which does not form part of this Report.

**BRADMAN-LAKE LIMITED**

**DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2012**

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**DIRECTORS**

The Directors who served the Company during the year were as follows

B A Watson  
J Marlee

**FINANCIAL RISK MANAGEMENT**

Prudent liquidity risk management implies maintaining sufficient cash on deposit and the availability of funding through an adequate amount of committed credit facilities

**DISCLOSURE OF INFORMATION TO AUDITORS**

In the case of each person who was a Director at the time this report was approved

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware, and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006

**DIRECTORS' RESPONSIBILITIES**

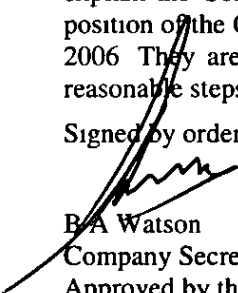
The Directors are responsible for preparing the Directors' Report and the Accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare Accounts for each financial year. Under that law the Directors have elected to prepare the Accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Accounts unless they are satisfied that they 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 these Accounts, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and accounting estimates that are reasonable and prudent,
- State that the Accounts comply with IFRSs as adopted by the European Union,
- Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Accounts comply with the Companies Act 2006. 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.

Signed by order of the Directors

  
B A Watson  
Company Secretary  
Approved by the Directors on

9/4/2013

**BRADMAN-LAKE LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BRADMAN-LAKE LIMITED**

**YEAR ENDED 31 DECEMBER 2012**

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We have audited the Accounts of Bradman-Lake Limited for the year ended 31 December 2012 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the Accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the Accounts**

A description of the scope of an audit of Accounts is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on Accounts**

In our opinion the Accounts

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the Accounts are prepared is consistent with the Accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Nexia Smith & Williamson*  
Michael Neale  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

Portwall Place  
Portwall Lane  
Bristol BS1 6NA

*9 April 2013*

**BRADMAN-LAKE LIMITED****INCOME STATEMENT****YEAR ENDED 31 DECEMBER 2012**

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	Note	2012 €	2011 €
<b>REVENUE</b>	<b>2</b>	19,112,731	27,541,101
Cost of sales	<b>3</b>	(14,085,825)	(18,675,788)
<b>GROSS PROFIT</b>		<u>5,026,906</u>	<u>8,865,313</u>
Administrative expenses		(4,453,238)	(3,645,318)
<b>OPERATING PROFIT</b>	<b>4</b>	<u>573,668</u>	<u>5,219,995</u>
Finance income		43,456	61,541
Finance costs	<b>5</b>	(88,516)	(126,669)
<b>PROFIT BEFORE TAXATION</b>		<u>528,608</u>	<u>5,154,867</u>
Income tax	<b>8</b>	(105,209)	(152,329)
<b>PROFIT FOR THE YEAR</b>		<u><u>423,399</u></u>	<u><u>5,002,538</u></u>

All of the activities of the Company are classed as continuing. The profit for the period is attributable to the Equity holder of the immediate Parent Company.

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The notes on pages 10 to 23 form part of these Accounts

**BRADMAN-LAKE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**YEAR ENDED 31 DECEMBER 2012**

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	2012	2011
	€	€
Profit for the year	423,399	5,002,538
<b>Other comprehensive income for the year:</b>		
Exchange adjustments	118,496	183,704
<b>Total comprehensive income for the year</b>	<u>541,895</u>	<u>5,186,242</u>

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**The notes on pages 10 to 23 form part of these Accounts**



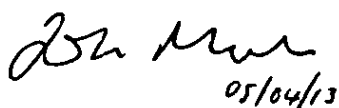
**BRADMAN-LAKE LIMITED****STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2012**

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	Note	2012	2011
		€	€
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	286,051	289,265
Deferred income tax asset		35,602	50,455
		<u>321,653</u>	<u>339,720</u>
<b>CURRENT ASSETS</b>			
Inventories	10	864,212	610,458
Trade and other receivables	11	8,866,861	10,781,163
Cash and cash equivalents	12	432,523	1,207,676
		<u>10,163,596</u>	<u>12,599,297</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	(7,820,107)	(8,768,455)
<b>NET CURRENT ASSETS</b>		<u>2,343,489</u>	<u>3,830,842</u>
<b>NET ASSETS</b>		<u>2,665,142</u>	<u>4,170,562</u>
<b>EQUITY</b>			
Share capital	17	1	1
Retained earnings	19	2,665,141	4,170,561
<b>TOTAL EQUITY</b>		<u>2,665,142</u>	<u>4,170,562</u>

These Accounts were approved by the Directors on  
by

and are signed on their behalf



J Marlee  
Director

Company registration number 06287006

The notes on pages 10 to 23 form part of these Accounts

**BRADMAN-LAKE LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2012**

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	Share Capital €	Retained Earnings €	Total Equity €
<b>Balance at 1 January 2011</b>	<u>1</u>	<u>(1,015,681)</u>	<u>(1,015,680)</u>
<b>Changes in equity for the year ended 31 December 2011</b>			
Currency exchange adjustment arising on retranslation	-	183,704	183,704
Profit for the year	-	<u>5,002,538</u>	<u>5,002,538</u>
<b>Balance at 31 December 2011</b>	<u>1</u>	<u>4,170,561</u>	<u>4,170,562</u>
<b>Changes in equity for the year ended 31 December 2012</b>			
Currency exchange adjustment arising on retranslation	-	118,496	118,496
Profit for the year	-	423,399	423,399
Dividend paid	-	<u>(2,047,315)</u>	<u>(2,047,315)</u>
<b>Balance at 31 December 2012</b>	<u>1</u>	<u>2,665,141</u>	<u>2,665,142</u>

The notes on pages 10 to 23 form part of these Accounts

**BRADMAN-LAKE LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2012**

		2012		2011	
	Note	€	€	€	€
<b>NET CASH (USED IN)/ GENERATED FROM OPERATING ACTIVITIES</b>	<b>22</b>		<u>(709,954)</u>		<u>480,783</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment		<u>(34,459)</u>		<u>(127,040)</u>	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			<u>(34,459)</u>		<u>(127,040)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest received		43,456		61,541	
Interest paid		<u>(88,516)</u>		<u>(126,669)</u>	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>			<u>(45,060)</u>		<u>(65,128)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(789,473)		288,615
<b>Cash and cash equivalents at 1 January 2012</b>			1,207,676		900,336
Effects of exchange rate changes on cash and cash equivalents			<u>14,320</u>		<u>18,725</u>
<b>Cash and cash equivalents at 31 December 2012</b>			<u>432,523</u>		<u>1,207,676</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>					
Cash in hand and at bank	12		<u>432,523</u>		<u>1,207,676</u>

**The notes on pages 10 to 23 form part of these Accounts**

**BRADMAN-LAKE LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES**

**(a) Basis of preparation**

Bradman-Lake Limited is a Company incorporated in the United Kingdom

The Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved for use in the European Union applied in accordance with the provisions of the Companies Act 2006

All accounting policies are consistent with those applying in the last annual Accounts for the year ended 31 December 2011

The Accounts have been prepared on a historical cost basis

**New and amended standards which became effective during the year**

There were a number of Amendments to Standards dealing with disclosures of transfers of financial instruments, first time adoption of IFRS and accounting for deferred tax, but none of these had a material impact on the group in the current period

**New and amended standards which are not effective for the current period**

IFRS 9, *Financial instruments*, is in issue but not yet effective and has not yet been approved by the European Union

IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosures of Interests in Other Entities*, and IFRS 13, *Fair Value Measurement*, are in issue but are not yet effective and have been approved by the European Union

A number of Amendments, Improvements and Interpretations have also been issued but are not yet effective including dealing with presentation and disclosure of financial instruments and other comprehensive income, accounting for defined benefit pension schemes and termination costs

The directors are currently assessing the impact of these new Standards, Interpretations and Amendments on the Group's financial statements

**(b) Property, plant and equipment**

Property, plant and equipment are stated at cost of purchase, net of depreciation and any impairment provision. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Plant and machinery	-	12-20 years straight line
Office and computer equipment	-	5 years straight line
Motor vehicles	-	4 years straight line

**BRADMAN-LAKE LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES** *(continued)*

**(c) Financial instruments**

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument

*Trade receivables*

Trade receivables do not carry any interest and are initially measured at their fair value as reduced by appropriate allowances for estimated irrecoverable amounts, and subsequently at their amortised cost

*Borrowings*

Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest method

*Trade payables*

Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost

**(d) Inventories and work in progress**

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	-	cost of purchase on a weighted average basis
Work in progress	-	cost of raw materials and labour together with attributable overheads

Net realisable value is based on estimated selling price less further costs to completion and disposal

**(e) Construction contracts**

Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to either the contract costs incurred up to the year end as a percentage of total estimated costs for each contract, or by reference to milestone conditions as defined in the contracts as appropriate to the circumstances of the particular contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion, and are presented as inventories, prepayments or other assets, depending on their nature.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES** *(continued)*

**(e) Construction contracts** *(continued)*

The Company presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions are included within 'trade and other receivables'.

The Company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

**(f) Revenue recognition**

Revenue from sales of goods is recognised when the Company has delivered the products and the customer has accepted them, and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts (see (e) above).

**(g) Income taxes**

The income tax expense represents the sum of the tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts, in the Accounts. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

**(h) Foreign currency**

*(a) Transactions and balances*

Transactions in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

**BRADMAN-LAKE LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES** *(continued)*

**(h) Foreign currency** *(continued)*

*(b) Preparation of Accounts*

These Accounts have been presented in Euros because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.23 (2011 - €1.15) to the Pound Sterling. The opening exchange rate was €1.19 (2011 - €1.17) to the Pound Sterling and the closing exchange rate was €1.23 (2011 - €1.19) to the Pound Sterling.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprises cash in hand, cash at bank and short term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts.

**(j) Pension costs**

The employees are eligible to join a defined contribution stakeholder pension scheme which is administered on behalf of the Company by a pension provider. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The scheme does not provide a gross minimum pension for contracting out of the state earnings related pension scheme. The annual contributions payable are charged to the Income Statement.

**(k) Leased assets**

All leases are treated as "operating leases" and the relevant annual rentals are charged to the Income Statement on a straight line basis over the lease term.

**(l) Key assumptions and significant judgements**

The preparation of the Accounts in conformity with IFRS requires management to make estimates and judgements. The areas where the most judgement is required are highlighted below.

*i Revenue and margin recognition*

The Company's revenue recognition and margin recognition policies in respect of the supply, installation and commissioning contracts, which are set out above, are central to the way in which the Company values the work it has carried out each financial period. This policy requires forecasts to be made of the outcomes of the contracts, which require assessments and judgements to be made on the margin likely to be achieved, and hence the costs likely to be incurred.

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES** *(continued)***(i) Key assumptions and significant judgements** *(continued)***ii Inventories**

For financial reporting purposes the Company evaluates its inventory to ensure that it is carried at the lower of cost and net realisable value. Provisions are made against all inventories relating to machines that are no longer manufactured.

**2. REVENUE**

The revenue and profit before tax are attributable to the one principle activity of the Company

**3 ANALYSIS OF COST OF SALES**

Cost of sales has been arrived at after charging

	2012	2011
	€	€
Cost of materials	<u>6,359,644</u>	<u>11,909,129</u>

**4. OPERATING PROFIT**

Operating profit been arrived at after charging

	2012	2011
	€	€
Staff pension contributions	251,536	213,492
Depreciation of owned assets	45,197	19,617
Fees payable to the company's auditor for the audit of the company's annual accounts	32,136	32,053
Operating lease costs		
- land and buildings	245,904	261,051
Net loss on foreign currency translation	<u>143,143</u>	<u>50,636</u>

**5. FINANCE COSTS**

	2012	2011
	€	€
Other interest	<u>88,516</u>	<u>126,669</u>



**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****6. KEY MANAGEMENT PERSONNEL COMPENSATION**

	2012	2011
	€	€
Salaries and short-term employee benefits	157,223	133,292
Post-employment benefits	6,082	5,394
	<u>163,305</u>	<u>138,686</u>

All of the above key management personnel compensation relates to Directors

Directors' emoluments

	2012	2011
	€	€
Aggregate emoluments as Directors of the Company	141,698	117,602
Value of pension contributions	6,082	5,394
	<u>147,780</u>	<u>122,996</u>

	No	No
Number of Directors who were accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

**7. PARTICULARS OF EMPLOYEES**

The average number of persons employed by the Company during the period was as follows

	2012	2011
	No	No
Engineering staff	117	115
Administrative staff	54	56
	<u>171</u>	<u>171</u>

The aggregate payroll costs of these persons were as follows

	2012	2011
	€	€
Wages and salaries	7,365,362	6,736,308
Social security costs	800,840	697,651
Other pension costs	251,536	213,492
	<u>8,417,738</u>	<u>7,647,451</u>

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****8. INCOME TAX****(a) Charge for the year**

	2012	2011
	€	€
Current income tax		
UK corporation tax charge on profit for the year	125,130	200,756
Over provision in prior periods	(35,409)	-
Deferred tax	15,488	(48,427)
<b>Total income tax</b>	<b>105,209</b>	<b>152,329</b>

**(b) Factors affecting current tax charges**

	2012	2011
	€	€
Profit before taxation	528,608	5,154,867
Profit before taxation multiplied by the standard rate of tax of 24.5% (2011 26%)	129,494	1,365,687
Expenses not deductible for tax purposes	7,044	14,570
Group relief	-	(95,273)
Movement on deferred tax assets	15,488	(48,427)
Other timing differences	(11,408)	780
Adjustments in respect of prior periods	(35,409)	-
Tax losses utilised	-	(1,085,008)
<b>Total income tax expense</b>	<b>105,209</b>	<b>152,329</b>

On 22 June 2010 the Government announced its intention to propose to Parliament a staggered reduction in the corporation tax rate of 1% every year culminating in a rate of 24% for the tax year 2014/15. The 2011 and 2012 Budgets and the 2012 Autumn Statement accelerated the reduction, resulting in a rate of 24% from 1 April 2012 reducing to a rate of 21% for the tax year 2014/15.

The further rate reductions are to be incorporated within future legislative acts and so will not be substantively enacted until later periods. It is expected that the deferred tax balance should not be materially impacted by these proposed reductions in the corporation tax rate.

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****9. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Property Improvements €	Plant & Machinery €	Office and Computer Equipment €	Motor Vehicles €	Total €
<b>COST</b>					
At 1 Jan 2011	69,382	384,250	210,519	5,054	669,205
Additions	-	5,734	121,306	-	127,040
Exchange adjustments	1,741	9,880	10,354	127	22,102
At 31 Dec 2011	71,123	399,864	342,179	5,181	818,347
Additions	-	33,333	1,126	-	34,459
Exchange adjustments	1,830	10,046	8,798	133	20,807
At 31 Dec 2012	<u>72,953</u>	<u>443,243</u>	<u>352,103</u>	<u>5,314</u>	<u>873,613</u>
<b>DEPRECIATION</b>					
At 1 Jan 2011	69,382	212,259	209,802	4,753	496,196
Charge for the year	-	10,921	8,399	297	19,617
Exchange adjustments	1,741	5,782	5,615	131	13,269
At 31 Dec 2011	71,123	228,962	223,816	5,181	529,082
Charge for the year	-	11,167	34,030	-	45,197
Exchange adjustments	1,830	5,810	5,510	133	13,283
At 31 Dec 2012	<u>72,953</u>	<u>245,939</u>	<u>263,356</u>	<u>5,314</u>	<u>587,562</u>
<b>NET BOOK VALUE</b>					
At 31 Dec 2012	<u>-</u>	<u>197,304</u>	<u>88,747</u>	<u>-</u>	<u>286,051</u>
At 31 Dec 2011	<u>-</u>	<u>170,902</u>	<u>118,363</u>	<u>-</u>	<u>289,265</u>

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****10. INVENTORIES**

	2012	2011
	€	€
Raw materials	838,900	610,458
Work in progress	25,312	-
	<u>864,212</u>	<u>610,458</u>

**CONSTRUCTION WORK IN PROGRESS**

Contracts in progress at the year end

	2012	2011
	€	€
Amount due from contract customers included in trade and other receivables (note 11)	1,816,183	1,175,103
Amount due to contract customers included in trade and other payables (note 13)	(1,862,566)	(1,759,646)
	<u>(46,383)</u>	<u>(584,543)</u>
Contract costs incurred plus recognised profit less recognised losses to date	4,697,286	7,269,525
Less progress billing	(4,743,669)	(7,854,068)
	<u>(46,383)</u>	<u>(584,543)</u>

**11. CURRENT TRADE AND OTHER RECEIVABLES**

	2012	2011
	€	€
Trade receivables	3,710,775	6,160,652
Amounts recoverable on contracts	1,816,183	1,175,103
Amounts owed by Group undertakings	3,136,131	2,789,247
Prepayments and accrued income	160,710	188,628
Other debtors	43,062	50,184
VAT recoverable	-	417,349
	<u>8,866,861</u>	<u>10,781,163</u>

For terms and conditions relating to related party receivables, refer to note 16

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows

	2012	2011
	€	€
Balance at 1 January	11,947	23,298
Exchange adjustments	308	105
Decrease in provision	-	(11,456)
Balance at 31 December	<u>12,255</u>	<u>11,947</u>

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****11. CURRENT TRADE AND OTHER RECEIVABLES (continued)**

Trade receivables are non-interest bearing and are generally on 30 – 90 days terms

At 31 December 2012, the analysis of trade receivables that were past due but not impaired is as follows

	Past due but not impaired				
	<30 days past due €	30-60 days past due €	60-90 days past due €	90-120 days past due €	>120 days past due €
2012	2,842,149	392,038	136,080	128,852	211,656
2011	3,014,240	2,383,386	124,280	183,183	455,563

**12. CASH AND CASH EQUIVALENTS**

	2012 €	2011 €
Cash in hand and at bank in current accounts	<u>432,523</u>	<u>1,207,676</u>

**13. CURRENT TRADE AND OTHER PAYABLES**

	2012 €	2011 €
Trade payables	1,206,009	1,499,272
Amounts owed to Group undertakings	3,591,411	4,504,847
Income tax payable	124,210	-
Other taxes and social security	190,180	192,633
Accruals and deferred income	733,791	714,260
Warranty provision	111,940	97,797
Progress payments	1,862,566	1,759,646
	<u>7,820,107</u>	<u>8,768,455</u>

**14. DEFERRED INCOME TAX**

Deferred taxation asset	2012 €	2011 €
At 1 January 2012	50,455	-
(Charge)/credit to income	(15,488)	48,427
Exchange differences	635	2,028
At 31 December 2012	<u>35,602</u>	<u>50,455</u>

	2012 €	2011 €
Accelerated tax depreciation	12,604	21,715
Short term timing differences	6,756	10,705
Tax losses carried forward and other deductions	16,242	18,035
	<u>35,602</u>	<u>50,455</u>

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012**

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**15. CONTINGENCIES**

A contingent liability exists at the year end in respect of the Group VAT liability of €458,322 (2011 - €504,964)

**16. RELATED PARTY TRANSACTIONS**

During the year the Company made the sales to and purchases from the following Group entities

	Sales		Purchases	
	2012	2011	2012	2011
	€	€	€	€
Bradman-Lake Inc	<u>1,412,739</u>	<u>2,056,847</u>	<u>1,063,064</u>	<u>1,297,018</u>

The Company also paid management charges to Langley Holdings plc of €146,443 (2011 - €197,054)

At the year end, Bradman-Lake Limited had the following balances with other Group companies

	Amount due to Company		Amount owed by Company	
	2012	2011	2012	2011
	€	€	€	€
Bradman-Lake Inc	3,136,076	2,787,681	61,702	484,253
Langley Holdings plc	<u>-</u>	<u>-</u>	<u>3,564,785</u>	<u>3,780,624</u>

Interest of €88,516 (2011 - €126,669) was paid to Langley Holdings plc in the year and interest of €42,100 (2011 - €59,498) was received from Bradman Lake Inc in the year in respect of loan balances included above

Rent of €126,618 (2011 - €78,555) was paid to Langley Holdings plc during the year Rent of €18,519 was received from Clarke Chapman Group Limited during the year (2011 - €17,202) A depreciation recharge was paid to Langley Holdings plc of €49,043 in regards of assets owned by the parent but which are used by Bradman Lake Ltd

*Terms and conditions of transactions with related parties*

The sales to and purchases from related parties are made at normal prices, outstanding balances at the year end are unsecured and interest free The Company has not recorded any impairment of receivables relating to amounts owed by related parties (2011 - €nil)

**BRADMAN-LAKE LIMITED****NOTES TO THE ACCOUNTS****YEAR ENDED 31 DECEMBER 2012****17. SHARE CAPITAL****Authorised share capital:**

	2012	2011
	€	€
100 Ordinary shares of €1 each	<u>100</u>	<u>100</u>

**Allotted and called up:**

	2012	2011
	No	No
	€	€
Ordinary shares of €1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

**18. ULTIMATE PARENT COMPANY**

The immediate Parent Company is Bradman-Lake Group Limited, a company incorporated in the UK. The ultimate Parent Company is Langley Holdings plc, a company incorporated in the UK. Langley Holdings plc itself is controlled by A J Langley. Consolidated Accounts of Langley Holdings plc can be obtained from the Registrar of Companies at Companies House.

**19. RETAINED EARNINGS**

	2012	2011
	€	€
At 1 January	4,170,561	(1,015,681)
Profit for the year	423,399	5,002,538
Currency exchange differences on retranslation	118,496	183,704
Dividends paid	(2,047,315)	-
At 31 December	<u>2,665,141</u>	<u>4,170,561</u>

Included within retained earnings of the company are foreign exchange reserves of €818,027 (2011 - €699,531)

The net currency exchange difference arising on retranslation in the year was a gain of €118,496 (2011 - €183,704). The foreign currency translation reserves contain accumulated foreign currency translation differences from the translation of the Accounts of the company into its presentational currency.

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2012, the Company had total commitments under non cancellable operating leases as set out below:

	2012	2011
	€	€
Payments falling due		
In less than one year	237,132	261,051
Between two and five years	335,784	590,203
After more than five years	545,650	353,047
	<u>1,118,566</u>	<u>1,204,301</u>

## BRADMAN-LAKE LIMITED

### NOTES TO THE ACCOUNTS

#### YEAR ENDED 31 DECEMBER 2012

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#### 21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise loans received together with trade receivables, trade payables and short term deposits which arise directly from its operations. The main purpose of these financial instruments is to fund the Company's operations and to manage its working capital, liquidity and surplus funds.

The Company does not enter into any derivative transactions.

The main risks arising from the Company's financial instruments are foreign currency risk and credit risk. Liquidity risk is not considered to be a main risk to the Company due to the Group's cash and cash equivalents balances being considerably higher than any bank borrowings and the availability of funding from the Group.

##### *Foreign currency risk*

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currencies of other Group entities (which are principally Sterling, Euros and US Dollars).

The Company publishes its accounts in Euros and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of the company since the Euro is not its functional currency.

The Company does not utilise any hedging arrangements as the Directors do not consider that the risk posed is significant to the Company's operations.

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling to Euro exchange rate, with all other variables held constant, of the Company's profit or loss before tax due to changes in the fair value of monetary assets and liabilities.

	Increase/decrease in Sterling rate	Effect on profit before tax €
2012	+10%	58,302
	-10%	(47,702)
2011	+10%	488,220
	-10%	(596,714)

##### *Credit risk*

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Company, comprising of cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.



**BRADMAN-LAKE LIMITED**

**NOTES TO THE ACCOUNTS**

**YEAR ENDED 31 DECEMBER 2012**

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**21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** *(continued)*

*Interest rate risk*

The Company's exposure to the risk of changes in market interest rates is solely to the Company's cash on deposit with floating interest rates. The Company is part of a cash pooling arrangement and the interest risk is therefore shared with other companies in the Group. The interest rate risk of the Group is discussed further in the accounts of Langley Holdings plc.

*Capital risk management*

The Company manages capital to ensure adequate resources are retained for the continued growth of the Company. Access to capital includes the availability of funding through agreed credit facilities.

**22. CASH (USED IN)/GENERATED FROM OPERATIONS**

	2012	2011
	€	€
Profit before tax	528,608	5,154,867
Depreciation	45,197	19,617
Interest expense	45,060	65,128
(Increase)/Decrease in inventories	(253,754)	225,794
Increase in trade and other receivables	(133,013)	(2,242,206)
Decrease in trade and other payables	(1,038,704)	(2,898,562)
Exchange adjustments	96,652	156,145
	<u>(709,954)</u>	<u>480,783</u>