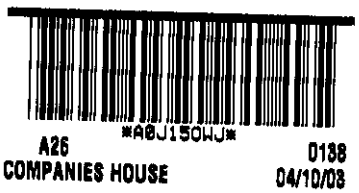
Chandler Material Supplies Limited

FINANCIAL STATEMENTS

for the period ended

31 December 2002



Company Registration No. 1480021

Chandler Material Supplies Limited
DIRECTORS AND OFFICERS

DIRECTORS

J R Chandler
P A Chandler

SECRETARY

P A Chandler

COMPANY NUMBER

1480021 (England and Wales)

REGISTERED OFFICE

91 Widford Road
Chelmsford
Essex
CM2 8SY

AUDITORS

Baker Tilly
Victoria Road South
Chelmsford
Essex
CM1 1LN

Chandler Material Supplies Limited
DIRECTORS' REPORT

The directors present their report and financial statements of Chandler Material Supplies Limited for the period ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period is to trade as suppliers of materials to the building trade and builders.

REVIEW OF THE BUSINESS

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

RESULTS AND DIVIDENDS

The trading profit for the period after taxation was £252,310 .

The directors recommend payment of an ordinary dividend amounting to £100,000 .

The directors have paid a preference interim dividend amounting to £35,640 , and they do not recommend payment of a final preference dividend.

DIRECTORS

The following directors have held office since 1 January 2002:

J R Chandler
P A Chandler

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

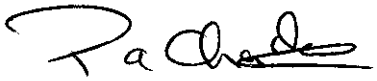
	Ordinary shares of £ 1 each	
	31.12.02	1.1.02
J R Chandler	260	260
P A Chandler	260	260

	Preference shares of £ 1 each	
	31.12.02	1.1.02
J R Chandler	198,500	206,000
P A Chandler	220,000	220,000

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

On behalf of the board



P A Chandler
Director

8 August 2003

Chandler Material Supplies Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 period. In preparing those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHANDLER MATERIAL SUPPLIES LIMITED

We have audited the financial statements on pages 6 to 17 .

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 as a body, for our audit work, for this report, or for the opinions we have formed.

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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
Victoria Road South
Chelmsford
Essex
CM1 1LN

26 August 2003

Chandler Material Supplies Limited

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	1	3,799,221	3,370,982
Cost of sales		3,021,962	2,632,764
Gross profit		777,259	738,218
Other operating expenses	2	463,274	465,869
OPERATING PROFIT		313,985	272,349
Investment income	3	16,704	20,761
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	330,689	293,110
Taxation	6	78,379	62,306
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		252,310	230,804
Dividends (including those in respect of non-equity shares)	7	135,640	147,520
RETAINED PROFIT FOR THE PERIOD	16	116,670	83,284

The operating profit for the period arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Chandler Material Supplies Limited

BALANCE SHEET

31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	110,180	114,524
Investments	9	10,382	10,382
		120,562	124,906
CURRENT ASSETS			
Stocks	10	379,823	374,035
Debtors	11	334,378	315,304
Cash at bank and in hand	12	763,801	614,093
		1,478,002	1,303,432
CREDITORS: Amounts falling due within one year	13	477,470	480,579
NET CURRENT ASSETS		1,000,532	822,853
TOTAL ASSETS LESS CURRENT LIABILITIES		1,121,094	947,759
PROVISIONS FOR LIABILITIES AND CHARGES	14	(209,002)	(152,337)
		912,092	795,422
CAPITAL AND RESERVES			
Called up share capital	15	661,000	661,000
Profit and loss account	16	251,092	134,422
SHAREHOLDERS' FUNDS	17	912,092	795,422
Equity interests		252,092	135,422
Non-equity interests		660,000	660,000
		912,092	795,422

Approved by the board on 8 August 2003

J R Chandler Director

J R Chandler

Chandler Material Supplies Limited

CASH FLOW STATEMENT

for the period ended 31 December 2002

	Notes	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	342,607	342,080
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		16,054	20,011
Dividends received		650	750
Non equity dividends paid		(35,640)	(47,520)
Net cash outflow for returns on investments and servicing of finance		(18,936)	(26,759)
TAXATION		(65,130)	(39,616)
CAPITAL EXPENDITURE			
Payments to acquire tangible assets		(9,827)	(63,064)
Receipts from sales of tangible assets		1,750	19,275
Net cash outflow for capital expenditure		(8,077)	(43,789)
EQUITY DIVIDENDS PAID		(100,756)	(54,244)
INCREASE IN CASH IN THE PERIOD		149,708	177,672

Chandler Material Supplies Limited
ACCOUNTING POLICIES

BASIS OF ACCOUNTING
The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS
Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets other than freehold land and investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Improvements to property	10% straight line
Plant and machinery	25% on written down value
Motor vehicles	25% on written down value

INVESTMENTS
Fixed asset investments are stated at cost and represent shares held in a buying co-operative.

STOCK
Stock is valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

LEASED ASSETS
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basisn over the period of the lease.

PENSIONS CONTRIBUTIONS
The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

TURNOVER
Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

EMPLOYEE BENEFIT TRUST
Assets held in the Employee Benefit Trust are recognised as assets of the company until they vest unconditionally in identified beneficiaries.

Chandler Material Supplies Limited

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 December 2002

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity wholly undertaken in the United Kingdom.

2. OTHER OPERATING EXPENSES

	2002	2001
	£	£
Distribution costs	137,357	135,973
Administrative expenses	325,917	329,896
	463,274	465,869

3. INVESTMENT INCOME

	2002	2001
	£	£
Income from unlisted investments	650	750
Bank interest	16,054	20,011
	16,704	20,761

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002	2001
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the period:		
owned assets	31,688	38,489
(Profit)/loss on disposals	(19,267)	12,821
Operating lease rentals:		
Land and buildings	54,000	54,000
Auditors' remuneration	4,000	3,500

5. EMPLOYEES

There were no employees during the period apart from the directors

	£	£
Staff costs for the above persons:		
Wages and salaries	420,121	365,735
Social security costs	39,963	40,685
Other pension costs	54,064	31,520
	514,148	437,940

Included within wages and salaries is £13,396 (2001 - £19,145), being payments from the Employee Benefit Trust.

DIRECTORS' REMUNERATION	2002	2001
	£	£
Emoluments for qualifying services	90,716	104,882
Company pension contributions to money purchase schemes	43,336	23,336
	134,052	128,218

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).

6. TAXATION	2002	2001
	£	£
Domestic current year tax		
U.K. corporation tax	84,168	61,000
Adjustment for prior years	3,940	1,306
Current tax charge	88,108	62,306
Deferred tax		
Deferred tax charge/credit current year	(9,729)	-
	78,379	62,306
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	330,689	293,110
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001 : 30.00 %)	99,207	87,933
Effects of:		
Non deductible expenses	17,684	126
Capital allowances in excess of depreciation	2,890	1,324
Marginal relief	(30,041)	(29,731)
Adjustments to previous periods	3,940	(2,817)
Chargeable disposals	(5,780)	3,846
Other tax adjustments	208	1,625
	(11,099)	(25,627)
Current tax charge	88,108	62,306

7. DIVIDENDS	2002	2001
	£	£
Dividends on non-equity shares:		
Preference:		
Interim paid - £0.05 (2001 - £0.07)	35,640	47,520
Dividends on equity shares:		
Ordinary:		
Final proposed - £100.00 (2001 - £100.00)	100,000	100,000

8. TANGIBLE FIXED ASSETS

	Land and buildings Freehold	*Plant and machinery*	*Motor vehicles*	*Total*
	£	£	£	£
Cost				
1 January 2002	103,526	45,417	232,719	381,662
Additions	-	9,827	-	9,827
Disposals	-	-	(40,020)	(40,020)
31 December 2002	103,526	55,244	192,699	351,469
Depreciation				
1 January 2002	61,881	29,825	175,432	267,138
Charge in the period	9,090	3,898	18,700	31,688
Disposals	-	-	(57,537)	(57,537)
31 December 2002	70,971	33,723	136,595	241,289
Net book value				
31 December 2002	32,555	21,521	56,104	110,180
31 December 2001	41,645	15,592	57,287	114,524

9. FIXED ASSET INVESTMENTS

	Unlisted investments
	£
Cost	
1 January 2002 and 31 December 2002	10,382

10. STOCKS

	2002	2001
	£	£
Finished goods and goods for resale	379,823	374,035

11 . DEBTORS

	2002	2001
	£	£
Due within one year:		
Trade debtors	227,514	204,236
Other debtors	84,653	96,779
Prepayments and accrued income	12,680	14,289
Deferred tax asset	9,531	-
	334,378	315,304

Deferred tax asset	2002	2001
	£	£
Accelerated capital allowances	(1,842)	(198)
Other timing differences	11,373	-
Provision for deferred taxation	9,531	(198)

Included within other debtors is £71,000 (2001 - £71,000) due to the Employee Benefit Trust. These assets are for the benefit of qualifying employees only.

12 . CASH AT BANK

	2002	2001
	£	£
Cash at bank	763,801	614,093

Included within cash and bank is £139,574 (2001: £83,263) held by the Employee Benefit Trust. These assets are for the benefit of qualifying employees only.

13 . CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	194,638	230,018
Corporation tax	84,168	61,190
Other taxes and social security costs	67,800	56,153
Directors' current accounts	5,879	6,178
Other creditors	24,985	26,284
Proposed dividend	100,000	100,756
	477,470	480,579

Included within other creditors is £1,572 (2001 - £2,134) held by the Employee Benefit Trust. These assets are for the benefit of qualifying employees only.

14 . PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	*Employee Benefit Trust* £
Balance at 1 January 2002	198	152,139
Transfer to profit and loss account	(9,729)	56,863
Balance at 31 December 2002	(9,531)	209,002

The deferred taxation of £9,531 is a net asset and is included in debtors (Note 11) in the balance sheet accordingly.

15 . SHARE CAPITAL

	2002 £	2001 £
Authorised:		
1,500 Ordinary shares of £ 1 each	1,500	1,500
748,500 Preference shares of £ 1 each	748,500	748,500
	750,000	750,000
Allotted, issued and fully paid:		
1,000 Ordinary shares of £ 1 each	1,000	1,000
660,000 Preference shares of £ 1 each	660,000	660,000
	661,000	661,000

16 . STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £
1 January 2002	134,422
Retained profit for the period	116,670
31 December 2002	251,092

17 . RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial period	252,310	230,804
Dividends	(135,640)	(147,520)
Net addition to shareholders' funds	116,670	83,284
Opening shareholders' funds	795,422	712,138
Closing shareholders' funds	912,092	795,422

18 . CASH FLOWS

a. Reconciliation of operating profit to net cash inflow from operating activities

	2002	2001
	£	£
Operating profit	313,985	272,349
Depreciation of tangible assets	31,688	38,489
(Profit)/loss on disposal of tangible assets	(19,267)	12,821
Increase in stocks	(5,788)	(32,051)
Increase in debtors	(9,543)	(91,288)
(Decrease)/increase in creditors within one year	(25,331)	87,591
Provision for Employee Benefit Trust	56,863	54,169
Net cash inflow from operating activities	342,607	342,080

b. Analysis of net funds

	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
	£	£	£	£
Net cash:				
Cash at bank and in hand	614,093	149,708	-	763,801
Bank deposits	-	-	-	-
Net funds	614,093	149,708	-	763,801

c. Reconciliation of net cash flow to movement in net debt

	2002	2001
	£	£
Increase in cash in the period	149,708	177,672
Movement in net funds in the period	149,708	177,672
Opening net funds	614,093	436,421
Closing net funds	763,801	614,093

19 . COMMITMENTS UNDER OPERATING LEASES

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002	2001
	£	£
Land and buildings expiring after five years	54,000	54,000

20 . PENSION COMMITMENTS

DEFINED CONTRIBUTION

	2002	2001
	£	£
Contributions payable by the company for the period	54,064	31,520

21 . RELATED PARTY TRANSACTIONS

The company rents it's premises under an operating lease from the directors who jointly own the land, at an annual charge of £54,000 (2001: £54,000), which was paid during the year. No amount was outstanding at the year end in respect of this rent (2001: £Nil). This transaction is under normal commercial terms and is subject to review each year.