

K W BELL & SON LIMITED
REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2000

KILSBY & WILLIAMS
CHARTERED ACCOUNTANTS

Company Registration Number: 1873421



A36 *ASDLYXXS* 0188
COMPANIES HOUSE 05/02/01

K W BELL & SON LIMITED

Directors

K W Bell
P A Bell
J H Bell (resigned 4 February 2000)
A Drew
A J Jones
J Bell

Secretary

J Bell

Registered office

Whimsey Industrial Estate
Cinderford
Gloucestershire
GL14 3JA

Bankers

Midland Bank PLC
6 Market Street
Cinderford
Gloucestershire
GL14 2SB

Solicitors

Davies & Partners
Rowan House
Barnett Way
Barnwood
Gloucestershire
GL4 5RT

Auditors

Kilsby & Williams
Chartered Accountants
and Registered Auditors
Shire Hall
Pentonville
Newport
South Wales
NP20 5HB

K W BELL & SON LIMITED

REPORT AND ACCOUNTS

For the year ended 31 May 2000

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K W BELL & SON LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 May 2000

The directors present their annual report and the audited accounts for the year ended 31 May 2000.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was that of builders, building contractors and the management of related assets.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company made a profit for the year of £27,487. The directors are confident that the company will generate profits in the new financial year.

DIVIDENDS

No dividend was paid in the year.

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are shown in note 7. The principal increases were in motor vehicles and plant and equipment.

In the opinion of the directors, the open market value of the company's freehold land and buildings is not materially different from that shown in the accounts in relation to its use in the company's trade.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	31 May 2000	31 May 1999
	£1 Ordinary Shares	£1 Ordinary Shares
K W Bell	78,001	78,001
P A Bell	50,999	50,999
J H Bell (resigned 4 February 2000)	-	15,000
A J Jones	3,000	3,000
A Drew	3,000	3,000
J Bell	-	-

K W BELL & SON LIMITED**REPORT OF THE DIRECTORS, continued**
For the year ended 31 May 2000**PURCHASE OF OWN SHARES**

During the year the company purchased 15,000 £1 nominal value shares from J H Bell due to his pending retirement for a consideration of £90,000. This represents 10% of the company's called up share capital.

AUDITORS

The auditors Kilsby & Williams will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

**Signed on behalf of the
Board of Directors**

J Bell
Secretary
Date:


16/01/01

K W BELL & SON LIMITED**DIRECTORS' RESPONSIBILITIES****For the year ended 31 May 2000**

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures disclosed and explained in the accounts;
- 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 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 accounts 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.

**Signed on behalf of the
Board of Directors**



K W Bell
Director**Date:**

16/01/01

KILSBY & WILLIAMS
CHARTERED ACCOUNTANTS

SHIRE HALL PENTONVILLE NEWPORT SOUTH WALES NP20 5HB
TEL: 01633 221122 FAX: 01633 222066

AUDITORS' REPORT TO K W BELL & SON LIMITED

UNDER SECTION 247B TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 15, together with the full statutory accounts of the company for the year ended 31 May 2000, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246[5] and [6] of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the accounts that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246[A] of the Companies Act 1985 and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with that provision.



KILSBY & WILLIAMS
Chartered Accountants
and Registered Auditors

Date: 2nd February 2001

K W BELL & SON LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 May 2000**

	Note	2000 £	1999 £
GROSS PROFIT		1,267,980	1,028,779
Administrative expenses		(1,152,727)	(1,034,405)
Other operating income		86,464	59,770
OPERATING PROFIT	2	201,717	54,144
Interest payable	4	(129,890)	(158,400)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		71,827	(104,256)
Tax on ordinary activities	6	(44,340)	14,521
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION		27,487	(89,735)
DIVIDEND PAID		-	(8,000)
PROFIT/(LOSS) FOR THE YEAR		27,487	(97,735)

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 8 to 15 form part of these accounts.

K W BELL & SON LIMITED**BALANCE SHEET****As at 31 May 2000**

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	1,528,804	1,831,022
CURRENT ASSETS			
Stocks and work in progress	8	2,287,382	2,014,801
Debtors	9	521,658	674,036
Cash at bank and in hand		19,855	58,429
		<u>2,828,895</u>	<u>2,747,266</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(2,064,205)	(2,099,396)
NET CURRENT ASSETS		<u>764,690</u>	<u>647,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,293,494	2,478,892
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(164,908)	(258,293)
PROVISION FOR LIABILITIES AND CHARGES	12	(77,000)	(106,500)
		<u>2,051,586</u>	<u>2,114,099</u>
CAPITAL AND RESERVES			
Called up share capital	13	135,000	150,000
Capital redemption reserve		15,000	-
Profit and loss account	14	1,901,586	1,964,099
	15	<u>2,051,586</u>	<u>2,114,099</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

**Signed on behalf of the
Board of Directors**


K W Bell**Director****Approved by the Board:**

16/01/01

The notes on pages 8 to 15 form part of these accounts

K W BELL & SON LIMITED

CASH FLOW STATEMENT

For the year ended 31 May 2000

	Note	2000 £	1999 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	17	454,607	(74,540)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(129,890)	(158,400)
TAXATION			
Taxation paid		(31,941)	(9,983)
CAPITAL EXPENDITURE			
Receipts from sale of fixed assets		223,787	237,735
Payments to acquire tangible fixed assets		(224,720)	(410,989)
EQUITY DIVIDENDS PAID			
Dividends paid		-	(8,000)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		291,843	(424,177)
FINANCING			
Purchase of own shares	(45,000)	-	-
Repayment of loans and hire purchase obligations	(362,294)	(431,264)	
Additional hire purchase obligations	161,190	307,704	
NET CASH OUTFLOW FROM FINANCING		(246,104)	(123,560)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	17	45,739	(547,737)

The notes on pages 8 to 15 form part of these accounts.

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Tangible Fixed Assets

Fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold building	2% per annum
Leasehold property	Life of lease (25 years)
Motor vehicles (reducing balance)	5% per annum
Plant and equipment (reducing balance/straight line)	15-25% per annum
Fixtures and fittings (reducing balance)	15% per annum

No depreciation is provided on the freehold land.

Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pensions

The company has a defined contribution scheme. Contributions payable for the year are charged in the profit and loss account.

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

2. OPERATING PROFIT

The operating profit is stated after charging	2000 £	1999 £
Depreciation of tangible fixed assets	308,803	334,028
(Profit)/loss on sale of assets	(5,652)	11,560
Staff costs - note 3	645,255	588,252
Auditors' remuneration	5,500	5,500
Other operating income:		
Management charges to related company	(65,704)	(59,770)

3. STAFF COSTS

	2000 £	1999 £
The costs incurred, including directors' remuneration were as follows:		
Wages and salaries	534,096	472,572
Social security costs	68,839	47,140
Pension costs	42,320	68,540
	<u>645,255</u>	<u>588,252</u>

The average weekly number of employees during the year was as follows:

Office and management	15	15
Direct labour	21	22
	<u>36</u>	<u>37</u>

4. INTEREST PAYABLE

	2000 £	1999 £
Interest payable on bank loans, overdraft and other loans wholly repayable within five years	90,372	104,794
Interest on hire purchase and finance leases	35,642	50,817
Other interest	3,876	2,789
	<u>129,890</u>	<u>158,400</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

5. DIRECTORS' REMUNERATION	2000 £	1999 £
Emoluments	210,303	166,971
Payment to former director	3,000	3,000
Pension contributions	59,086	44,996
	<u>272,389</u>	<u>214,967</u>

During the year retirement benefits under a money purchase scheme were accrued for three directors.

6. TAXATION	2000 £	1999 £
The tax charge/(credit) on the profit/(loss) on ordinary activities was as follows:		
Corporation tax	38,900	(11,550)
Deferred tax	(29,500)	-
	<u>9,400</u>	<u>(11,550)</u>
Under/(over) provision in respect of prior years corporation tax	34,940	(2,971)
	<u>44,340</u>	<u>(14,521)</u>

Corporation tax has been charged on the profit at 20.9% (1999 – 20.8%).

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

7. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant and equipment £	Fixtures and fittings £	Land and buildings £	Total £
Cost					
At 1 June 1999	738,913	1,165,571	275,351	573,066	2,752,901
Additions in the year	205,584	-	19,136	-	224,720
Disposals in the year	(126,509)	(403,977)	-	-	(530,486)
At 31 May 2000	817,988	761,594	294,487	573,066	2,447,135
Depreciation					
At 1 June 1999	355,604	377,384	162,822	26,069	921,879
Charge for the year	114,276	151,793	33,540	9,194	308,803
Write off on disposal	(81,317)	(231,034)	-	-	(312,351)
At 31 May 2000	388,563	298,143	196,362	35,263	918,331
Net book value					
At 31 May 2000	429,425	463,451	98,125	537,803	1,528,804
At 31 May 1999	383,309	788,187	112,529	546,997	1,831,022

The above analysis includes the following in respect of assets held under finance leases and hire purchase contracts.

Net book value:					
31 May 2000	422,368	369,171	-	-	791,539
Depreciation:					
Charge for 2000	22,973	125,640	-	-	148,613
Accumulated to:					
31 May 2000	114,715	149,929	-	-	264,644

The net book value of land and buildings comprises freehold properties of £521,594 (1999 - £529,534) and short leaseholds of £16,217 (1999 - £17,463).

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

8. STOCKS AND WORK IN PROGRESS	2000	1999
	£	£
Stocks (principally land)	184,283	963,156
Work in progress	2,103,099	1,051,645
	<u>2,287,382</u>	<u>2,014,801</u>

9. DEBTORS	2000	1999
	£	£
Amounts due within one year:		
Trade debtors	371,332	316,874
Amounts owed by connected parties (see note 18)	37,773	210,587
Other debtors	33,105	54,888
Prepayments and accrued income	79,448	91,687
	<u>521,658</u>	<u>674,036</u>

10. CREDITORS	2000	1999
	£	£
Amounts falling due within one year:		
Bank loans	1,015,000	1,095,000
Bank overdraft	66,687	-
Amounts owed by related companies	40,973	-
Trade creditors	456,677	391,900
Hire purchase and finance lease creditors (secured)	236,134	343,853
Loan from pension fund	-	71,000
Taxation	30,349	-
Social security and other taxes	65,544	23,728
Other creditors	45,810	15,742
Accruals and deferred income	107,031	158,173
	<u>2,064,205</u>	<u>2,099,396</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets and related undertakings of the company, charges over land and buildings included in fixed assets and charges over certain land included in stock and work in progress and developments thereon.

11. CREDITORS	2000	1999
	£	£
Amounts falling due after more than one year:		
Hire purchase creditor (secured)	<u>164,908</u>	<u>258,293</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

12. PROVISION FOR LIABILITIES AND CHARGES

	At start of year £	Movement £	At end of year £
Provision:			
Deferred taxation (see below)	106,500	(29,500)	77,000
	2000	1999	2000
Deferred taxation at 20% is			
attributable to:	£	£	£
Capital allowances	77,000	106,500	-

13. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised: £1 ordinary shares	200,000	200,000
Allotted, called up and fully paid	135,000	150,000

14. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 June 1999	-	1,964,099
Profit for the year	-	27,487
Company purchase of own shares	-	(75,000)
Transfer	15,000	(15,000)
	15,000	1,901,586

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	27,487	(89,735)
Dividends paid	-	(8,000)
Company purchase of own shares	(90,000)	-
Net (reduction) in shareholders' funds	(62,513)	(97,735)
Opening shareholders' funds	2,114,099	2,211,834
Closing shareholders' funds	2,051,586	2,114,099

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

16. CONTINGENT LIABILITIES

The company has given a guarantee to Midland Bank plc in respect of the amount due by Bell Contracting Limited which at 31 May 2000 amounted to £849,375.

The company has entered into guarantees in relation to performance bonds which at 31 May 2000 totalled £309,192. No liability is expected to arise from them

17. NOTES TO THE CASH FLOW STATEMENT

2000

1999

£

£

Reconciliation of operating profit to net cash inflow from operating activities:

Operating profit	201,717	54,144
Depreciation	308,803	334,028
(Profit)/loss on disposal of fixed assets	(5,652)	11,560
(Increase) in stock and work in progress	(272,581)	(923,524)
Decrease in debtors	140,828	413,886
Increase in creditors	81,492	35,366
	<u>454,607</u>	<u>(74,540)</u>

Reconciliation of net cashflow to movement in net debt:

£

£

(Decrease) in other loans	(71,000)	(99,000)
(Decrease)/increase in bank loans	(80,000)	660,000
Increase/(decrease) in overdraft	66,687	(643)
(Decrease)/increase in cash	38,574	(12,620)
	<u>(45,739)</u>	<u>547,737</u>
Repayment of loans, hire purchase agreements and finance lease obligations	(362,294)	(431,264)
New hire purchase agreements and finance lease obligations	161,190	307,704
	<u>(246,843)</u>	<u>424,177</u>
Net debt brought forward	1,709,717	1,285,540
	<u>1,462,874</u>	<u>1,709,717</u>

Analysis of changes in net debt:

At
1 June
1999
£

Cashflow
£

At
31 May
2000
£

Bank overdraft	-	66,687	66,687
Cash in hand	(58,429)	38,574	(19,855)
Debt due within one year	1,509,853	(258,719)	1,251,134
Debt due after one year	258,293	(93,385)	164,908
	<u>1,709,717</u>	<u>(246,843)</u>	<u>1,462,874</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2000

17. FINANCIAL COMMITMENTS

Operating Leases

At 31 May 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases that expire:				
- Within one year	-	3,297	-	16,041
- Two to five years	-	22,752	-	4,361
- Over five years	20,000	-	20,000	-
	<u>20,000</u>	<u>26,049</u>	<u>20,000</u>	<u>20,402</u>

18. TRANSACTIONS WITH DIRECTORS

The company is controlled by Mr K W Bell, a director.

During the year, K W Bell and P A Bell had interests as partners in contracts to train horses owned by the company to the value of £1,789. At 31 May 2000 there was a balance due from this business to the company of £36,667.

K W Bell and P A Bell also had interests as partners in a plant hire business. The company provided services and sold assets to the plant hire business to the value of £93,804 during the year. At 31 May 2000 there was a balance due from this business to the company of £1,106.

The company provided management services of £80,184 and other services of £546,974 to Bell Contracting Limited, a company in which all five of the directors of K W Bell & Son Limited are directors. Bell Contracting Limited provided services to K W Bell & Son Limited totalling £1,471,852. The net balance due to Bell Contracting Limited at 31 May 2000 was £40,973 (1999 – due by £76,362).

All transactions were undertaken on a commercial basis.

Included within other creditors is an amount due to a director, K W Bell, of £44,030. The amount is interest free and repayable on demand.