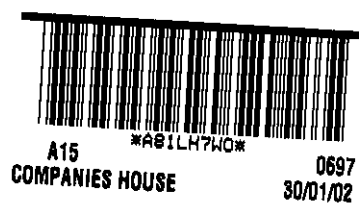


K W BELL & SON LIMITED
REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001



KILSBY & WILLIAMS
CHARTERED ACCOUNTANTS

Company Registration Number: 1873421

K W BELL & SON LIMITED

Directors

K W Bell
P A Bell
A Drew
A J Jones
J Bell

Secretary

J Bell

Registered office

Whimsey Industrial Estate
Cinderford
Gloucestershire
GL14 3JA

Bankers

HSBC 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 2001

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K W BELL & SON LIMITED

REPORT OF THE DIRECTORS For the year ended 31 May 2001

The directors present their annual report and the audited accounts for the year ended 31 May 2001.

PRINCIPAL ACTIVITY

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

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company made a loss for the year of £23,311. 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 2001 £1 Ordinary Shares	1 June 2000 £1 Ordinary Shares
K W Bell	78,001	78,001
P A Bell	50,999	50,999
A J Jones	3,000	3,000
A Drew	3,000	3,000
J Bell	-	-

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:


28/01/02

K W BELL & SON LIMITED

DIRECTORS' RESPONSIBILITIES

For the year ended 31 May 2001

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: 28/01/02

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 4 to 14, together with the full statutory accounts of the company for the year ended 31 May 2001, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

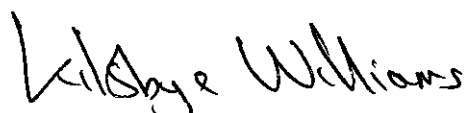
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



KILSBY & WILLIAMS
Chartered Accountants
and Registered Auditors

Date: 29th January 2002

K W BELL & SON LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 May 2001

	Note	2001 £	2000 £
GROSS PROFIT		1,123,180	1,267,980
Administrative expenses		(1,273,560)	(1,152,727)
Other operating income		186,468	86,464
OPERATING PROFIT	2	36,088	201,717
Interest payable	4	(75,559)	(129,890)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(39,471)	71,827
Tax on ordinary activities	6	16,160	(44,340)
(LOSS)/PROFIT FOR THE YEAR AFTER TAXATION		<u>(23,311)</u>	<u>27,487</u>

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 7 to 14 form part of these accounts.

K W BELL & SON LIMITED

BALANCE SHEET

As at 31 May 2001

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	7	1,208,946	1,528,804
CURRENT ASSETS			
Stocks and work-in-progress	8	1,867,604	2,287,382
Debtors	9	662,437	521,658
Cash at bank and in hand		81,135	19,855
		<u>2,611,176</u>	<u>2,828,895</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1707,969)	(2,064,205)
NET CURRENT ASSETS		<u>903,207</u>	<u>764,690</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,112,153</u>	<u>2,293,494</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(51,878)	(164,908)
PROVISION FOR LIABILITIES AND CHARGES	12	(32,000)	(77,000)
		<u>2,028,275</u>	<u>2,051,586</u>
CAPITAL AND RESERVES			
Called up share capital	13	135,000	135,000
Capital redemption reserve	14	15,000	15,000
Profit and loss account	14	1,878,275	1,901,586
	15	<u>2,028,275</u>	<u>2,051,586</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:

28/04/02

The notes on pages 7 to 14 form part of these accounts

K W BELL & SON LIMITED

CASH FLOW STATEMENT For the year ended 31 May 2001

	Note	2001 £	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	17	578,581	454,607
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(75,559)	(129,890)
TAXATION			
Taxation received/(paid)		5,869	(31,941)
CAPITAL EXPENDITURE			
Receipts from sale of fixed assets		253,394	223,787
Payments to acquire tangible fixed assets		(199,654)	(224,720)
NET CASH INFLOW BEFORE FINANCING		562,631	291,843
FINANCING			
Purchase of own shares		-	(45,000)
Repayment of loans and hire purchase obligations	246,839		(362,294)
Additional hire purchase obligations	(37,175)		161,190
NET CASH OUTFLOW FROM FINANCING		(209,664)	(246,104)
INCREASE IN CASH AND CASH EQUIVALENTS	17	352,967	45,739

The notes on pages 7 to 14 form part of these accounts.

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 2001

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)	25% 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 2001

2. OPERATING PROFIT	2001	2000
	£	£
The operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	243,616	308,803
Loss/(profit) on sale of assets	22,502	(5,652)
Staff costs - note 3	731,028	645,255
Auditors' remuneration	5,500	5,500
Other operating income:		
Management charges to related undertaking	(186,468)	(86,464)
	<u> </u>	<u> </u>
3. STAFF COSTS	2001	2000
	£	£
The costs incurred, including directors' remuneration were as follows:		
Wages and salaries	594,078	534,096
Social security costs	60,298	68,839
Pension costs	76,652	42,320
	<u> </u>	<u> </u>
	731,028	645,255
	<u> </u>	<u> </u>
The average weekly number of employees during the year was as follows:		
Office and management	14	15
Direct labour	20	21
	<u> </u>	<u> </u>
	34	36
	<u> </u>	<u> </u>
4. INTEREST PAYABLE	2001	2000
	£	£
Interest payable on bank loans, overdraft and other loans wholly repayable within five years	53,816	90,372
Interest on hire purchase and finance leases	19,752	35,642
Other interest	1,991	3,876
	<u> </u>	<u> </u>
	75,559	129,890
	<u> </u>	<u> </u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2001

5.	DIRECTORS' REMUNERATION	2001 £	2000 £
	Emoluments	282,292	210,303
	Payment to former director	3,000	3,000
	Pension contributions	38,631	59,086
		<u>323,923</u>	<u>272,389</u>

During the year retirement benefits under a money purchase scheme were accrued for four directors (2000 – three).

6.	TAXATION	2001 £	2000 £
	The tax credit/(charge) on the (loss)/profit on ordinary activities was as follows:		
	Corporation tax	28,000	38,900
	Deferred tax	(45,000)	(29,500)
		<u>(17,000)</u>	<u>9,400</u>
	Under provision in respect of prior years corporation tax	840	34,940
		<u>(16,160)</u>	<u>44,340</u>

Corporation tax has been charged on the profit at 20% (2000 – 20.9%).

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 2001

7. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant and equipment £	Fixtures and fittings £	Land and buildings £	Total £
Cost					
At 1 June 2000	817,988	761,594	294,487	573,066	2,447,135
Additions in the year	60,276	-	107,821	31,557	199,654
Disposals in the year	(145,940)	(415,824)	(21,531)	-	(583,295)
At 31 May 2001	732,324	345,770	380,777	604,623	2,063,494
Depreciation					
At 1 June 2000	388,563	298,143	196,362	35,263	918,331
Charge for the year	108,457	89,468	36,496	9,195	243,616
Write off on disposal	(93,996)	(192,531)	(20,872)	-	(307,399)
At 31 May 2001	403,024	195,080	211,986	44,458	854,548
Net book value					
At 31 May 2001	329,300	150,690	168,791	560,165	1,208,946
At 31 May 2000	429,425	463,451	98,125	537,803	1,528,804

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

Net book value:					
31 May 2001	241,830	115,780	-	-	357,610
Depreciation:					
Charge for 2001	73,111	28,344	-	-	101,455
Accumulated to:					
31 May 2001	153,177	73,224	-	-	226,401

The net book value of land and buildings comprises freehold properties of £545,193 (2000 - £521,594) and short leaseholds of £14,972 (2000 - £16,217).

8. STOCKS AND WORK-IN-PROGRESS

	2001 £	2000 £
Stocks (principally land)	557,754	184,283
Work-in-progress	1,309,850	2,103,099
	1,867,604	2,287,382

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 2001

9. DEBTORS	2001 £	2000 £
Amounts due within one year:		
Trade debtors	163,703	371,332
Amounts owed by connected parties (see note 18)	231,559	37,773
Other debtors	163,850	33,105
Prepayments and accrued income	103,325	79,448
	<u>662,437</u>	<u>521,658</u>

10. CREDITORS	2001 £	2000 £
Amounts falling due within one year:		
Bank loans	790,000	1,015,000
Bank overdraft	-	66,687
Amounts owed by related companies	-	40,973
Trade creditors	603,592	456,677
Hire purchase and finance lease creditors	139,500	236,134
Taxation	65,058	30,349
Social security and other taxes	19,716	65,544
Other creditors	36,334	45,810
Accruals and deferred income	53,769	107,031
	<u>1,707,969</u>	<u>2,064,205</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.

The hire purchase liabilities are secured upon the assets to which they relate.

11. CREDITORS	2001 £	2000 £
Amounts falling due after more than one year:		
Hire purchase creditor	<u>51,878</u>	<u>164,908</u>

Obligations under finance leases and hire purchase contracts are repayable over varying periods by monthly instalments as follows:

	2001 £	2000 £
Within one year	139,500	236,134
Between two and five years	<u>51,878</u>	<u>164,908</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 2001

12. PROVISION FOR LIABILITIES AND CHARGES

	At start of year £	Movement £	At end of year £	
Provision:				
Deferred taxation (see below)	77,000	(45,000)	32,000	
	Provided		Unprovided	
Deferred taxation at 20% is	2001	2000	2001	2000
attributable to:	£	£	£	£
Capital allowances	32,000	77,000	-	-

13. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: £1 ordinary shares	200,000	200,000
Allotted, called up and fully paid	<u>135,000</u>	<u>135,000</u>

14. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 June 2000	15,000	1,901,586
Loss for the year	-	(23,311)
At 31 May 2001	<u>15,000</u>	<u>1,878,275</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
(Loss)/profit for the financial year	(23,311)	27,487
Company purchase of own shares	-	(90,000)
Net reduction in shareholders' funds	<u>(23,311)</u>	<u>(62,513)</u>
Opening shareholders' funds	2,051,586	2,114,099
Closing shareholders' funds	<u>2,028,275</u>	<u>2,051,586</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2001

16. CONTINGENT LIABILITIES

The company has given a guarantee to HSBC Bank PLC in respect of the amount due by Bell Contracting Limited which at 31 May 2001 amounted to £336,322.

The company has entered into guarantees in relation to performance bonds which at 31 May 2001 totalled £143,063. No liability is expected to arise from them

17. NOTES TO THE CASH FLOW STATEMENT

	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	36,088	201,717
Depreciation	243,616	308,803
Loss/(profit) on disposal of fixed assets	22,502	(5,652)
Decrease/(increase) in stocks and work-in-progress	419,778	(272,581)
(Increase)/decrease in debtors	(140,779)	140,828
(Decrease)/increase in creditors	(2,624)	81,492
	<u>578,581</u>	<u>454,607</u>
Reconciliation of net cashflow to movement in net debt:	£	£
Decrease in other loans	-	(71,000)
Decrease in bank loans	(225,000)	(80,000)
Decrease in overdraft	(66,687)	66,687
Increase in cash	(61,280)	38,574
	<u>(352,967)</u>	<u>(45,739)</u>
Repayment of loans, hire purchase agreements and finance lease obligations	(246,839)	(362,294)
New hire purchase agreements and finance lease obligations	37,175	161,190
	<u>(562,631)</u>	<u>(246,843)</u>
Net debt brought forward	1,462,874	1,709,717
Net debt carried forward	<u>900,243</u>	<u>1,462,874</u>
Analysis of changes in net debt:	At 1 June 2000 £	At 31 May 2001 £
Bank overdraft	66,687	(66,687)
Cash in hand	(19,855)	(61,280)
Debt due within one year	1,251,134	(321,634)
Debt due after one year	164,908	(113,030)
	<u>1,462,874</u>	<u>(562,631)</u>
		<u>900,243</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2001

17. FINANCIAL COMMITMENTS

Operating Leases

At 31 May 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases that expire:				
- Within one year	-	-	-	3,297
- Two to five years	-	19,654	-	22,752
- Over five years	20,000	5,869	20,000	-
	<u>20,000</u>	<u>25,523</u>	<u>20,000</u>	<u>26,049</u>

18. TRANSACTIONS WITH DIRECTORS

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 £46,404. At 31 May 2001 there was a balance due from this business to the company of £66.

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 £53,492 during the year. At 31 May 2001 there was a balance due from this business to the company of £19,948.

The company provided services of £704,535 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 £1,215,302. The net balance due to Bell Contracting Limited at 31 May 2001 was £211,610.

All transactions were undertaken on a commercial basis.

Included within other creditors are amounts due to directors totalling £4,078. The amounts are interest free and repayable on demand.