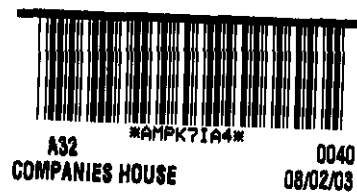


K W BELL & SON LIMITED
REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2002

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
A Boddington (appointed 1 November 2001)
S Jelf (appointed 1 November 2001)

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 2002

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K W BELL & SON LIMITED

REPORT OF THE DIRECTORS For the year ended 31 May 2002

The directors present their annual report and the audited accounts for the year ended 31 May 2002.

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 profit for the year of £3,510. The directors are confident that the company will continue to 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.

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 2002 £1 Ordinary Shares	1 June 2001 £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	-	-
A Boddington (appointed 1 November 2001)	-	-
S Jelf (appointed 1 November 2001)	-	-

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:


22/11/02

K W BELL & SON LIMITED**DIRECTORS' RESPONSIBILITIES**

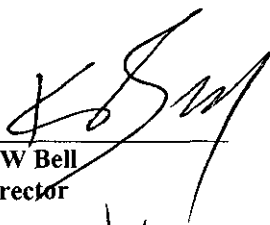
For the year ended 31 May 2002

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:

3/2/03

KILSBY & WILLIAMS

CHARTERED ACCOUNTANTS

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

INDEPENDENT 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 2002, prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

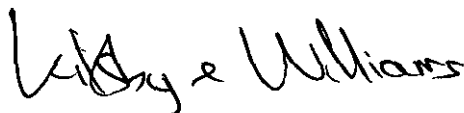
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the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

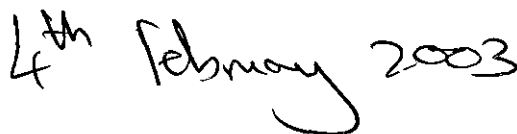
Opinion

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:



PARTNERS: A.J. KILSBY S.R. WILLIAMS S.R. TEE N.G. WILLIAMS

Kilsby & Williams is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales and is regulated by the Financial Services Authority for investment business

K W BELL & SON LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2002

	Note	2002 £	2001 £
GROSS PROFIT		1,334,984	1,123,180
Administrative expenses		(1,328,113)	(1,273,560)
Other operating income		176,342	186,468
OPERATING PROFIT	2	183,213	36,088
Interest payable	4	(110,286)	(75,559)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		72,927	(39,471)
Tax on ordinary activities	6	(69,417)	16,160
PROFIT/(LOSS) FOR THE YEAR AFTER TAXATION		3,510	(23,311)

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 or loss for the above two financial years.

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

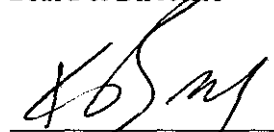
K W BELL & SON LIMITED**BALANCE SHEET**

As at 31 May 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	7	1,114,424	1,208,946
CURRENT ASSETS			
Stocks and work-in-progress	8	3,253,618	1,867,604
Debtors	9	1,053,247	662,437
Cash at bank and in hand		200,887	81,135
		<u>4,507,752</u>	<u>2,611,176</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(3,475,185)	(1,707,969)
NET CURRENT ASSETS		<u>1,032,567</u>	<u>903,207</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,146,991</u>	<u>2,112,153</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(46,193)	(51,878)
PROVISION FOR LIABILITIES AND CHARGES	12	(69,013)	(32,000)
		<u>2,031,785</u>	<u>2,028,275</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	1,881,785	1,878,275
	15	<u>2,031,785</u>	<u>2,028,275</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:

3/2/03

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 2002

	Note	2002 £	2001 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	17	(1,021,741)	578,581
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(110,286)	(75,559)
TAXATION			
Taxation (paid)/received		(36,428)	5,869
CAPITAL EXPENDITURE			
Receipts from sale of fixed assets		145,778	253,394
Payments to acquire tangible fixed assets		(257,348)	(199,654)
NET CASH INFLOW BEFORE FINANCING		(1,280,025)	562,631
FINANCING			
Repayment of loans and hire purchase obligations		(167,396)	(471,839)
Additional hire purchase loan obligations		1,567,173	37,175
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		1,399,777	(434,664)
INCREASE IN CASH AND CASH EQUIVALENTS	17	119,752	127,967

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 2002

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 in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

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 2002

2. OPERATING PROFIT	2002	2001
	£	£
The operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	177,149	243,616
Loss on sale of assets	28,943	22,502
Staff costs - note 3	827,037	731,028
Auditors' remuneration	5,500	5,500
Other operating income:		
Management charges to related undertaking	(176,342)	(186,468)
	<u> </u>	<u> </u>
3. STAFF COSTS	2002	2001
	£	£
The costs incurred, including directors' remuneration were as follows:		
Wages and salaries	700,125	594,078
Social security costs	65,201	60,298
Pension costs	61,711	76,652
	<u>827,037</u>	<u>731,028</u>
The average weekly number of employees during the year was as follows:		
Office and management	15	14
Direct labour	21	20
	<u>36</u>	<u>34</u>
4. INTEREST PAYABLE	2002	2001
	£	£
Interest payable on bank loans, overdraft and other loans wholly repayable within five years	96,425	53,816
Interest on hire purchase and finance leases	9,250	19,752
Other interest	4,611	1,991
	<u>110,286</u>	<u>75,559</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2002

5. DIRECTORS' EMOLUMENTS	2002 £	2001 £
Directors' remuneration and benefits-in-kind	318,968	282,292
Pension contributions to a money purchase scheme	47,904	52,560
Pension to former director	3,000	3,000
	<u>369,872</u>	<u>337,852</u>

Amounts paid to the highest paid directors included above are:

Highest paid director	123,728	103,339
Pension contributions	<u>30,000</u>	<u>30,000</u>

The company operates a money purchase pension scheme. Four directors (2001 – four) are members of the scheme. 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 and amounted to £61,711 (2001 - £76,652). There were no contributions outstanding at the balance sheet date (2001 – £nil).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES	2002 £	2001 £
Current taxation:		
UK corporation tax charge for the year	33,111	28,000
(Over)/under provision in respect of prior years	(707)	840
	<u>32,404</u>	<u>28,840</u>
Deferred taxation:		
Origination and reversal of timing differences	37,013	(45,000)
Tax on profits on ordinary activities	<u>69,417</u>	<u>(16,160)</u>

The adoption of FRS 19, Deferred Taxation, has required a change in the method of accounting for deferred tax. The impact of adopting FRS 19 on the 2002 results is an increase to the tax charge of £37,013.

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 30% (2001 - 20%). The actual tax charge for the current and the previous period is less than the standard rate for the reasons set out in the following reconciliation:

	2002 £	2001 £
Profit/(loss) on ordinary activities before tax	72,927	(39,471)
Tax on profit/(loss) on ordinary activities at standard rate	21,878	(7,894)
Factors affecting charge for the period:		
Capital allowances for period in excess of depreciation	(40,403)	(31,178)
Marginal relief adjustment	(14,988)	-
Expenses not deductible for tax purposes	66,824	66,995
Other timing differences	36,106	(44,083)
Total actual amount of current tax	<u>69,417</u>	<u>(16,160)</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 May 2002

7. TANGIBLE FIXED ASSETS

	Motor vehicles £	Plant and equipment £	Fixtures and fittings £	Land and buildings £	Total £
Cost					
At 1 June 2001	732,324	345,770	380,777	604,623	2,063,494
Additions in the year	89,381	-	46,254	121,713	257,348
Disposals in the year	(149,070)	(230,814)	-	-	(379,884)
At 31 May 2002	672,635	114,956	427,031	726,336	1,940,958
Depreciation					
At 1 June 2001	403,024	195,080	211,986	44,458	854,548
Charge for the year	84,973	32,559	49,484	10,133	177,149
Write off on disposal	(86,336)	(118,827)	-	-	(205,163)
At 31 May 2002	401,661	108,812	261,470	54,591	826,534
Net book value					
At 31 May 2002	270,974	6,144	165,561	671,745	1,114,424
At 31 May 2001	329,300	150,690	168,791	560,165	1,208,946

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

Net book value:					
31 May 2002	207,339	-	-	-	207,339
Depreciation:					
Charge for 2002	60,994	-	-	-	60,994
Accumulated to:					
31 May 2002	184,205	-	-	-	184,205

The net book value of land and buildings comprises freehold properties of £658,018 (2001 - £545,193) and short leaseholds of £13,727 (2001 - £14,972).

8. STOCKS AND WORK-IN-PROGRESS

	2002 £	2001 £
Stocks (principally land)	586,837	557,754
Work-in-progress	2,666,781	1,309,850
	<u>3,253,618</u>	<u>1,867,604</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2002

9.	DEBTORS	2002 £	2001 £
	Amounts due within one year:		
	Trade debtors	448,625	163,703
	Amounts owed by connected parties (see note 19)	450,946	231,559
	Other debtors	39,701	163,850
	Prepayments and accrued income	113,975	103,325
		<u>1,053,247</u>	<u>662,437</u>

10.	CREDITORS	2002 £	2001 £
	Amounts falling due within one year:		
	Bank loans	2,280,022	790,000
	Trade creditors	817,623	603,592
	Hire purchase and finance lease creditors	54,940	139,500
	Taxation	61,034	65,058
	Social security and other taxes	24,674	19,716
	Other creditors	168,145	36,334
	Accruals and deferred income	68,747	53,769
		<u>3,475,185</u>	<u>1,707,969</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	2002 £	2001 £
	Amounts falling due after more than one year:		
	Hire purchase creditor	<u>46,193</u>	<u>51,878</u>
	Obligations under finance leases and hire purchase contracts are repayable over varying periods by monthly instalments as follows:		
		2002 £	2001 £
	Within one year		139,500
	Between two and five years	<u>46,193</u>	<u>51,878</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2002

12. PROVISION FOR LIABILITIES AND CHARGES

	At start of year £	Movement £	At end of year £	
Provision:				
Deferred taxation (see below)	32,000	37,013	69,013	
	<u>32,000</u>	<u>37,013</u>	<u>69,013</u>	
	Provided		Unprovided	
Deferred taxation at 30% is	2002	2001	2002	2001
attributable to:	£	£	£	£
Capital allowances	69,013	32,000	-	-

13. CALLED UP SHARE CAPITAL

	2002 £	2001 £
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 2001	15,000	1,878,275
Profit for the year	-	3,510
At 31 May 2002	<u>15,000</u>	<u>1,881,785</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit/(loss) for the financial year	3,510	(23,311)
Net addition to/(reduction in) shareholders' funds	3,510	(23,311)
Opening shareholders' funds	<u>2,028,275</u>	<u>2,051,586</u>
Closing shareholders' funds	<u>2,031,785</u>	<u>2,028,275</u>

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2002

16. CONTINGENT LIABILITIES

The company has entered into guarantees in relation to performance bonds which at 31 May 2002 totalled £332,800. No liability is expected to arise from them

17. NOTES TO THE CASH FLOW STATEMENT

	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities:		
Operating profit	183,213	36,088
Depreciation	177,149	243,616
Loss on disposal of fixed assets	28,943	22,502
(Increase)/decrease in stocks and work-in-progress	(1,386,014)	419,778
(Increase) in debtors	(390,810)	(140,779)
Increase/(decrease) in creditors	365,778	(2,624)
	<u>(1,021,741)</u>	<u>578,581</u>
Reconciliation of net cashflow to movement in net debt:	£	£
Decrease in overdraft	-	(66,687)
Increase in cash	(119,752)	(61,280)
	<u>(119,752)</u>	<u>(127,967)</u>
Repayment of loans, hire purchase agreements and finance lease obligations	(167,396)	(471,839)
New hire purchase agreements and finance lease obligations	1,567,173	37,175
	<u>1,280,025</u>	<u>(562,631)</u>
Net debt brought forward	900,243	1,462,874
Net debt carried forward	<u>2,180,268</u>	<u>900,243</u>
Analysis of changes in net debt:	At 1 June 2001 £	Cashflow £
Cash in hand	(81,135)	(119,752)
Debt due within one year	929,500	1,405,462
Debt due after one year	51,878	(5,685)
	<u>900,243</u>	<u>1,280,025</u>
		At 31 May 2002 £
		2,180,268

K W BELL & SON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 2002

18. FINANCIAL COMMITMENTS

Operating Leases

At 31 May 2002 the company had annual commitments under non-cancellable operating leases as set out below:

		2002		2001	
		Land and buildings £	Other £	Land and buildings £	Other £
Operating leases that expire:					
-	Within one year	-	21,652	-	-
-	Two to five years	-	-	-	19,654
-	Over five years	20,000	6,896	20,000	5,869
		<u>20,000</u>	<u>28,548</u>	<u>20,000</u>	<u>25,523</u>

19. TRANSACTIONS WITH DIRECTORS

Included within other creditors are amounts due to directors totalling £578.