

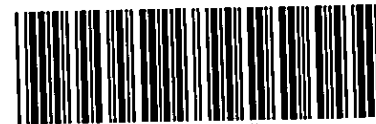
COMPANY REGISTRATION NUMBER 01873421

K W BELL GROUP LIMITED

ABBREVIATED ACCOUNTS

31 MAY 2012

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COMPANIES HOUSE

KILSBY & WILLIAMS LLP
CHARTERED ACCOUNTANTS

K W BELL GROUP LIMITED

ABBREVIATED ACCOUNTS

Year ended 31 May 2012

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K W BELL GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr K W Bell
Mr P A Bell
Mr A J Jones
Mr J Bell
Mr S Jelf

Company secretary

Mr J Bell

Registered office

Whimsey Industrial Estate
Cinderford
Gloucestershire
GL14 3JA

Auditor

Kilsby & Williams LLP
Chartered Accountants
& Statutory Auditor
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

HSBC Bank Plc
6 Market Street
Cinderford
Gloucestershire
GL14 2SB

Solicitors

Davies & Partners
Rowan House
Barnett Way
Barnwood
Gloucestershire
GL14 5RT

K W BELL GROUP LIMITED

CHAIRMAN'S STATEMENT

Year ended 31 May 2012

The year to 31 May 2012 has again been another extraordinarily difficult year for the company, our sector and the economy as a whole. Despite this we have again returned a pre-tax profit and continued to maintain our balance sheet strength. Our gearing also continues to be excellent, with bank funding dropping to less than half that of the previous year.

We have taken a more aggressive stance on sales during this year, selling nearly three times the number of houses sold last year. This strategy has resulted in lowering of our gross profit percentage, but has 'washed through' much of the housing stock built on land purchased pre-recession. Going forward our land and work in progress now largely consists of sites bought since prices fell, therefore improving the expected margin substantially.

Our partnering division, where we act as main contractor for other companies and housing associations, has also seen turnover nearly treble from that of last year. Again margins have been lower, although margins in this part of the market are by nature fairly low. We continue to secure excellent levels of work with new projects regularly coming on line.

Bank funding in our sector continues to remain very difficult to obtain, and with this in mind, we have actively looked to remove our reliance on external funders. As stated above, due to strong cash management we have seen our bank loans more than halve in the last twelve months. Since our year end however, due to our cash availability being better than many of our competitors, we have taken a number of opportunities to secure sites at excellent value where margins are likely to be very good. K W Bell Group Limited has had the support of its bank since its inception and their understanding of our business has helped us to secure funding for these new projects where many are failing to be able to obtain this.

Market conditions are improving slowly, and the pent up demand caused by lack of building of new houses during the recession gives us confidence that things should continue in this vein. Due to our strengths, we are confident that we will be ideally placed to take advantage of these improving conditions, as is being seen from the opportunities that we are now finding.

Chairman



2/1/2013

K W BELL GROUP LIMITED

THE DIRECTORS' REPORT

Year ended 31 May 2012

The directors present their report and the accounts of the company for the year ended 31 May 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year was that of house builders and the management of a public house, restaurant and accommodation

The company is operating in a difficult market and pressure on market prices has resulted in a 13% reduction in gross profit. The company has reported a post tax profit of £55,205. The company's balance sheet remains strong and liquid with net current assets of £3,531,302.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £55,205. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal instruments comprise bank balances, bank loans, trade creditors, trade debtors, finance lease agreements and related party loans. The main purpose of these instruments is to raise funds to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of related company loans at floating rates of interest.

In respect of loans these comprise loans from financial institutions and related parties. In respect of the bank loans, the liquidity risk is managed closely by the agreement of repayments with the bank so that the loan is repaid over a suitable period of time as and when finance is available. In respect of related party loans the company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

The company is a lessee in respect of finance leased assets with fixed monthly payments. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

DIRECTORS

The directors who served the company during the year were as follows

Mr K W Bell
Mr P A Bell
Mr A J Jones
Mr J Bell
Mr S Jelf

K W BELL GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

Year ended 31 May 2012

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing those 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,
- 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Kilsby & Williams LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

K W BELL GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

Year ended 31 May 2012

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J Bell', enclosed within a large, loopy oval shape.

Mr J Bell
Company Secretary

Approved by the directors on 2/1/2013

INDEPENDENT AUDITOR'S REPORT TO K W BELL GROUP LIMITED**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the accounts of K W Bell Group Limited for the year ended 31 May 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

 21st January 2013

Simon Tee (Senior Statutory Auditor)
For and on behalf of
Kilsby & Williams LLP
Chartered Accountants & Statutory Auditor

Cedar House
Hazell Drive
Newport
NP10 8FY

K W BELL GROUP LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

Year ended 31 May 2012

	Note	2012 £	2011 £
TURNOVER		13,533,183	6,056,596
Cost of Sales and Other operating income		(11,923,881)	(4,164,104)
Administrative expenses		(1,380,970)	(1,648,785)
OPERATING PROFIT	2	<u>228,332</u>	<u>243,707</u>
Interest receivable		5	33
Interest payable and similar charges	5	(153,033)	(184,558)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>75,304</u>	<u>59,182</u>
Tax on profit on ordinary activities	6	(20,099)	(6,366)
PROFIT FOR THE FINANCIAL YEAR		<u><u>55,205</u></u>	<u><u>52,816</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on page 7 form part of these abbreviated accounts.

K W BELL GROUP LIMITED

ABBREVIATED BALANCE SHEET

31 May 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	908,793	991,499
CURRENT ASSETS			
Stocks	8	8,689,201	11,816,590
Debtors	9	1,049,117	535,789
Cash at bank and in hand		232,976	42,025
		9,971,294	12,394,404
CREDITORS: Amounts falling due within one year	10	(6,439,992)	(8,929,132)
NET CURRENT ASSETS		3,531,302	3,465,272
TOTAL ASSETS LESS CURRENT LIABILITIES		4,440,095	4,456,771
CREDITORS: Amounts falling due after more than one year	11	(90,031)	(161,834)
PROVISIONS FOR LIABILITIES			
Deferred taxation	13	(18,563)	(18,641)
		4,331,501	4,276,296
CAPITAL AND RESERVES			
Called-up equity share capital	16	132,000	132,000
Other reserves	17	18,000	18,000
Profit and loss account	18	4,181,501	4,126,296
SHAREHOLDERS' FUNDS	19	4,331,501	4,276,296

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 21/1/2013, and are signed on their behalf by

Mr K W Bell
Director



Company Registration Number 01873421

The notes on page 8 form part of these abbreviated accounts

K W BELL GROUP LIMITED

CASH FLOW STATEMENT

Year ended 31 May 2012

	Note	2012 £	2011 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	20	2,674,983	(12,963)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(153,028)	(184,525)
TAXATION	20	(19,247)	(31,247)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(22,631)	(2,355)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>2,480,077</u>	<u>(231,090)</u>
FINANCING	20	(2,289,126)	(110,350)
INCREASE/(DECREASE) IN CASH	20	<u>190,951</u>	<u>(341,440)</u>

The notes on page 9 form part of these abbreviated accounts.

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention

Turnover

Turnover represents the total sales value of legally completed properties, excluding part exchange properties. Turnover and profit on sales are recognised on legal completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Building	- 2% pa straight line
Leasehold Property	- 25 years (life of the lease)
Plant & Equipment	- 15-25% pa straight line and reducing balance
Fixtures & Fittings	- 10-25% pa straight line and reducing balance
Motor Vehicles	- 25% pa reducing balance

No depreciation is provided on freehold land

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with SSAP 19 which, unlike the Companies Act 2006, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a sum of the digits basis

Operating lease agreements

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 basis over the period of the lease

Pension costs

The company operates a defined contribution pension 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

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

1. ACCOUNTING POLICIES (*continued*)

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Amounts recoverable on contracts

Some of the company's contracts are considered to be of the nature of long term contracts. In order for the accounts to reflect the level of activity during the period, turnover and profit are recognised on a prudent basis as the work proceeds. The amounts recoverable on contracts represent the value of the work done but not invoiced at the balance sheet date.

2. OPERATING PROFIT

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	66,148	92,423
Depreciation of assets held under hire purchase agreements	30,950	38,424
Loss on disposal of fixed assets	8,239	3,944
Auditor's remuneration		
- as auditor	<u>8,625</u>	<u>8,625</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of direct labour	20	21
Number of office and management staff	20	21
	<u>40</u>	<u>42</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	855,970	1,001,112
Social security costs	60,341	73,699
Other pension costs	36,372	46,577
	<u>952,683</u>	<u>1,121,388</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration and other payments in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	91,165	152,652
Value of company pension contributions to money purchase schemes	8,988	10,488
Compensation for loss of directorship	—	30,000
	<u>100,153</u>	<u>193,140</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>5</u>	<u>5</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	113,496	147,521
Finance charges	3,526	5,405
Other similar charges payable	36,011	31,632
	<u>153,033</u>	<u>184,558</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 20% (2011 - 20%)	20,177	19,247
Total current tax	20,177	19,247
Deferred tax		
Origination and reversal of timing differences	(78)	(12,881)
Tax on profit on ordinary activities	20,099	6,366

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 20%)

	2012 £	2011 £
Profit on ordinary activities before taxation	75,304	59,182
Profit on ordinary activities by rate of tax	15,061	11,836
Expenses not deductible for tax purposes	2,771	866
Capital allowances for period in excess of depreciation	2,400	5,819
Marginal relief / rate differences	47	726
Other short term timing differences	(102)	-
Total current tax (note 6(a))	20,177	19,247

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Investment Property £	Plant & Machinery £	Other Assets £	Total £
COST						
At 1 Jun 2011	638,681	30,743	117,213	32,644	1,332,082	2,151,363
Additions	—	—	—	—	34,531	34,531
Disposals	—	—	—	—	(87,904)	(87,904)
At 31 May 2012	<u>638,681</u>	<u>30,743</u>	<u>117,213</u>	<u>32,644</u>	<u>1,278,709</u>	<u>2,097,990</u>
DEPRECIATION						
At 1 Jun 2011	125,972	26,015	—	32,644	975,233	1,159,864
Charge for the year	10,052	1,347	—	—	85,699	97,098
On disposals	—	—	—	—	(67,765)	(67,765)
At 31 May 2012	<u>136,024</u>	<u>27,362</u>	<u>—</u>	<u>32,644</u>	<u>993,167</u>	<u>1,189,197</u>
NET BOOK VALUE						
At 31 May 2012	<u>502,657</u>	<u>3,381</u>	<u>117,213</u>	<u>—</u>	<u>285,542</u>	<u>908,793</u>
At 31 May 2011	<u>512,709</u>	<u>4,728</u>	<u>117,213</u>	<u>—</u>	<u>356,849</u>	<u>991,499</u>

The investment property was valued on an open market basis on 31 May 2012 by the directors

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £	2011 £
Net book value at end of year	<u>117,213</u>	<u>117,213</u>
Historical cost	<u>117,213</u>	<u>117,213</u>

Hire purchase agreements

Included within the net book value of £908,793 is £87,011 (2011 - £125,712) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £30,950 (2011 - £38,424)

8 STOCKS

	2012 £	2011 £
Stocks (principally land)	1,085,127	2,917,504
Work in progress	7,604,074	8,899,086
	<u>8,689,201</u>	<u>11,816,590</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

9 DEBTORS

	2012	2011
	£	£
Trade debtors	658,003	301,965
Amounts recoverable on contracts	23,786	61,918
Amounts owed to related undertakings	25,279	20,779
Other debtors	179,020	31,048
Directors current accounts	44,400	—
Prepayments and accrued income	118,629	120,079
	<u>1,049,117</u>	<u>535,789</u>

10. CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Amounts owed to related undertakings	1,896,496	2,281,679
Bank loans	1,793,000	4,005,320
Trade creditors	1,301,944	1,160,594
Corporation tax	20,177	19,247
Other taxation and social security	19,707	19,572
Hire purchase agreements	96,458	101,461
Other creditors	541,328	205,489
Directors current accounts	680,000	1,009,779
Accruals and deferred income	90,882	125,991
	<u>6,439,992</u>	<u>8,929,132</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 developments thereon

Included in other creditors is an amount of £291,000 which is secured by means of a legal charge over land included in stock and developments thereon

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

11. CREDITORS Amounts falling due after more than one year

	2012	2011
	£	£
Bank loans and overdrafts	76,842	116,919
Hire purchase agreements	13,189	44,915
	<u>90,031</u>	<u>161,834</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

12. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	96,458	101,461
Amounts payable between 1 and 2 years	13,189	44,915
	<u>109,647</u>	<u>146,376</u>

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012	2011
	£	£
Provision brought forward	18,641	31,522
Profit and loss account movement arising during the year	(78)	(12,881)
Provision carried forward	<u>18,563</u>	<u>18,641</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	18,563	18,641
	<u>18,563</u>	<u>18,641</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 31 May 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
After more than 5 years	<u>35,200</u>	<u>35,200</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

15. RELATED PARTY TRANSACTIONS

The company was under the control of K W Bell throughout the current and previous years K W Bell is the chairman and majority shareholder

During the year K W Bell and P A Bell had interests as partners in contracts to train horses During the year the company made purchases to the value of £3,711 (2011 - £2,583) from this partnership At 31 May 2012 there was a balance of £3,900 (2011 - £-) due to this business by the company

K W Bell and P A Bell also hold 100% of the share capital of Bell Plant Limited The company provided services and sold assets to Bell Plant Limited to the value of £107,221 (2011 - £98,035) At the year end there was a balance due from Bell Plant Limited of £21,379 (2011 - £20,779)

K W Bell Group Limited also provided services totalling £1,141,656 (2011 - £1,434,074) to Bell Contracting Limited, a company in which all of the directors serve as directors That company provided services to K W Bell Group Limited totalling £2,658,834 (2011 - £1,500,336) during the year The balance due to Bell Contracting Limited at the year end was £1,896,496 (2011 - £2,281,679)

Included within (creditors)/debtors due within one year are the following amounts due (to)/from the following directors

	2012	2011
	£	£
Directors loan account - K W Bell	(680,000)	(739,779)
Directors loan account - P A Bell	44,400	(270,000)
	<u>(635,600)</u>	<u>(1,009,779)</u>

These amounts are unsecured and repayable on demand Interest is payable on the outstanding creditor balances at 3% over the banks base rate

Amounts owed from P A Bell are as a result of services totalling £37,000 (2011 - £Nil) provided by the company This balance is unsecured, interest free and repayable on demand

During the year P A Bell purchased a vehicle from the company This was an arms length transaction and the vehicle was sold at market value

During the year the company provided services totalling £2,250 (2011 - £35,000) in respect of a housing development owned by K W Bell

Payments of £35,200 (2011 - £35,200) were paid by the company to K W Bell & Son Ltd Pension Scheme 93 during the year in respect of the rental of premises

All transactions were entered into on an arms length basis

16. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

16. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
132,000 Ordinary shares of £1 each	<u>132,000</u>	<u>132,000</u>	<u>132,000</u>	<u>132,000</u>

17. OTHER RESERVES

	2012	2011
	£	£
Capital redemption reserve	<u>18,000</u>	<u>18,000</u>

18. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	4,126,296	4,173,480
Profit for the financial year	55,205	52,816
Purchase of own shares	—	(100,000)
Balance carried forward	<u>4,181,501</u>	<u>4,126,296</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	55,205	52,816
Purchase of own ordinary shares	—	(3,000)
Premium on purchase of own ordinary shares	—	(97,000)
Net addition/(reduction) to shareholders' funds	55,205	(47,184)
Opening shareholders' funds	<u>4,276,296</u>	<u>4,323,480</u>
Closing shareholders' funds	<u>4,331,501</u>	<u>4,276,296</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

20. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	228,332	243,707
Depreciation	97,098	130,847
Loss on disposal of fixed assets	8,239	3,944
Decrease/(increase) in stocks	3,127,389	(693,178)
Increase in debtors	(513,328)	(85,703)
(Decrease)/increase in creditors	(272,747)	387,420
Net cash inflow/(outflow) from operating activities	<u>2,674,983</u>	<u>(12,963)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012	2011
	£	£
Interest received	5	33
Interest paid	(149,507)	(179,153)
Interest element of hire purchase	(3,526)	(5,405)
Net cash outflow from returns on investments and servicing of finance	<u>(153,028)</u>	<u>(184,525)</u>

TAXATION

	2012	2011
	£	£
Taxation	<u>(19,247)</u>	<u>(31,247)</u>

CAPITAL EXPENDITURE

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(34,531)	(22,561)
Receipts from sale of fixed assets	11,900	20,206
Net cash outflow from capital expenditure	<u>(22,631)</u>	<u>(2,355)</u>

FINANCING

	2012	2011
	£	£
Purchase of own equity shares	-	(3,000)
Premium on purchase of own equity shares	-	(97,000)
(Repayment of)/increase in bank loans	(2,252,397)	51,576
Capital element of hire purchase	(36,729)	(61,926)
Net cash outflow from financing	<u>(2,289,126)</u>	<u>(110,350)</u>

K W BELL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

Year ended 31 May 2012

20. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012 £	2011 £
Increase/(decrease) in cash in the period	190,951	(341,440)
Net cash outflow from/(inflow) from bank loans	2,252,397	(51,576)
Cash outflow in respect of hire purchase	36,729	61,926
	<u>2,480,077</u>	<u>(331,090)</u>
Change in net debt	2,480,077	(331,090)
Net debt at 1 June 2011	<u>(4,226,590)</u>	<u>(3,895,500)</u>
Net debt at 31 May 2012	<u>(1,746,513)</u>	<u>(4,226,590)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jun 2011 £	Cash flows £	At 31 May 2012 £
Net cash			
Cash in hand and at bank	<u>42,025</u>	<u>190,951</u>	<u>232,976</u>
Debt			
Debt due within 1 year	(4,005,320)	2,212,320	(1,793,000)
Debt due after 1 year	(116,919)	40,077	(76,842)
Hire purchase agreements	(146,376)	36,729	(109,647)
	<u>(4,268,615)</u>	<u>2,289,126</u>	<u>(1,979,489)</u>
Net debt	<u>(4,226,590)</u>	<u>2,480,077</u>	<u>(1,746,513)</u>