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Company Registration No. 2447653 (England and Wales)

GEORGE BENICE AND SONS (CHELTENHAM) LTD

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2000



GEORGE BENCE AND SONS (CHELTENHAM) LTD

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GEORGE BENCE AND SONS (CHELTENHAM) LTD

DIRECTORS' REPORT

for the year ended 31 December 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities and review of the business

The principal activities of the company continued to be that of builders and plumbers merchants.

There has been no significant change to this activity during the year and none is expected in the foreseeable future. The directors consider the company's financial position at 31 December 2000 to be satisfactory.

Results and dividends

The results for the year are set out on page 4.

In view of the company's current and future requirements for the maintenance and development of its business, the directors do not recommend that a dividend be declared but that the profit for the year, as stated on page 4, be transferred to reserves.

Directors

The following directors have held office since 1 January 2000:

C G Bence

I Crowe

P J Clinch

I P Stacey

Directors' interests

The directors at 31 December 2000, together with their interests, as defined by the Companies Act 1985, in shares of the parent company, George Bence & Sons Limited at that date and at the beginning of the year, were as follows:

	2000 Beneficial	2000 Non - Beneficial	1999 Beneficial	1999 Non - Beneficial
C G Bence	100,166	15,000	100,166	15,000
I Crowe	-	-	-	-
P J Clinch	-	-	-	-
I P Stacey	-	-	-	-

There were no other changes during the year.

Auditors

Hazlewoods have expressed their willingness to continue in office.

GEORGE BENCE AND SONS (CHELTENHAM) LTD

DIRECTORS' REPORT (CONTINUED) for the year ended 31 December 2000

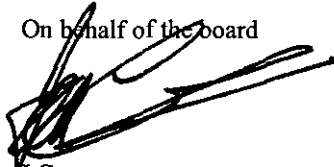
Directors' responsibilities

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

On behalf of the board



I Crowe

Director

1 June 2001

GEORGE BENCE AND SONS (CHELTENHAM) LTD

AUDITORS' REPORT TO GEORGE BENCE AND SONS (CHELTENHAM) LTD UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 12, together with the financial statements of the company for the year ended 31 December 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 246A of 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 that provision 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

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 12 are properly prepared in accordance with that provision.


Hazelwoods

Chartered Accountants and Registered Auditors

1 June 2001

Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

GEORGE BENCE AND SONS (CHELTENHAM) LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

		2000	1999
	Notes	£	£
Gross profit		2,760,223	2,453,637
Distribution costs		(898,343)	(774,905)
Administrative expenses		(1,727,616)	(1,556,044)
Operating profit	2	134,264	122,688
Interest payable and similar charges	3	(76,442)	(58,927)
Profit on ordinary activities before taxation		57,822	63,761
Tax on profit on ordinary activities	5	(21,929)	(23,778)
Profit on ordinary activities after taxation	12	35,893	39,983

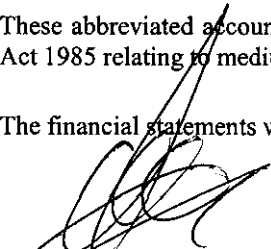
GEORGE BENCE AND SONS (CHELTENHAM) LTD

ABBREVIATED BALANCE SHEET as at 31 December 2000

	Notes	£	2000 £	£	1999 £
Current assets					
Stocks	6	799,244		789,235	
Debtors	7	2,424,069		2,890,209	
Cash at bank and in hand		1,970		1,771	
		<u>3,225,283</u>		<u>3,681,215</u>	
Creditors: amounts falling due within one year	8	<u>(2,663,766)</u>		<u>(2,855,591)</u>	
Total assets less current liabilities			561,517		825,624
Creditors: amounts falling due after more than one year	9		<u>(100,000)</u>		<u>(400,000)</u>
			<u>461,517</u>		<u>425,624</u>
Capital and reserves					
Called up share capital	11		100,000		100,000
Profit and loss account	12		<u>361,517</u>		<u>325,624</u>
Shareholders' funds	13		<u>461,517</u>		<u>425,624</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 1 June 2001


C G Bence
Director

GEORGE BENCE AND SONS (CHELTENHAM) LTD

CASH FLOW STATEMENT

for the year ended 31 December 2000

	2000 £	1999 £
Net cash inflow/(outflow) from operating activities	275,236	(63,180)
Returns on investments and servicing of finance		
Interest paid	<u>(76,442)</u>	<u>(58,927)</u>
Net cash outflow for returns on investments and servicing of finance	(76,442)	(58,927)
Taxation	(23,574)	(28,070)
Net cash inflow/(outflow) before management of liquid resources and financing	<u>175,220</u>	<u>(150,177)</u>
Increase/(decrease) in cash in the year	<u>175,220</u>	<u>(150,177)</u>

GEORGE BENCE AND SONS (CHELTENHAM) LTD

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 December 2000

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2000	1999
			£	£
	Operating profit		134,264	122,688
	Increase in stocks		(10,009)	(83,856)
	Decrease/(increase) in debtors		466,140	(311,430)
	(Decrease)/Increase in creditors within one year		(315,159)	209,418
	Net cash inflow/(outflow) from operating activities		275,236	(63,180)

2	Analysis of net debt	1 January 2000	Cash flow	Other non-cash changes	31 December 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,771	199	-	1,970
	Bank overdrafts	(1,143,717)	(124,979)	-	(1,268,696)
		(1,141,946)	(124,780)	-	(1,266,726)
	Debt:				
	Debts falling due after one year	(400,000)	300,000	-	(100,000)
	Net debt	(1,541,946)	175,220	-	(1,366,726)

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Decrease in cash in the year	(124,780)	(150,177)
	Cash outflow from decrease in debt	300,000	-
	Movement in net debt in the year	175,220	(150,177)
	Opening net debt	(1,541,946)	(1,391,769)
	Closing net debt	(1,366,726)	(1,541,946)

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2000

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies, all of which are in accordance with applicable Accounting Standards.

1.2 Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

1.3 Leasing

The cost of and income from operating leases is respectively charged and credited to the profit and loss account on a straight line basis over the lease term.

1.4 Stock

Stock is valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Statement of Standard Accounting Practice (SSAP) 24.

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

1.7 Finance costs

All finance costs in connection with borrowing are allocated to the profit and loss account at a constant rate on the carrying amount shown in the balance sheet. Accrued finance costs are included in accruals to the extent that they will be paid in cash in the next accounting period, but otherwise are added to the carrying amount of the borrowings.

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Operating lease rentals	210,934	161,526
Auditors' remuneration	7,500	7,000
	<u>218,434</u>	<u>168,526</u>

3 Interest payable

	2000	1999
	£	£
On bank loans and overdrafts	76,442	58,927
	<u>76,442</u>	<u>58,927</u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2000

4	Directors and employees	2000 £	1999 £
	Directors' emoluments		
	Emoluments for qualifying services	258,627	224,274
	Company pension contributions to money purchase schemes	84,213	83,498
		<u>342,840</u>	<u>307,772</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (1999 - 4).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	109,100	82,206
Company pension contributions to money purchase schemes	<u>69,702</u>	<u>67,725</u>

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Distribution	33	32
Administration	48	49
	<u>81</u>	<u>81</u>

Employment costs

	£	£
Wages and salaries	1,328,401	1,242,931
Social security costs	119,150	113,368
Other pension costs	124,659	108,430
	<u>1,572,210</u>	<u>1,464,729</u>

5	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 20%)	21,929	23,574
	Prior years		
	U.K. corporation tax	-	204
		<u>21,929</u>	<u>23,778</u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2000

6	Stocks	2000 £	1999 £
	Raw materials and consumables	5,303	9,299
	Finished goods and goods for resale	793,941	779,936
		<u>799,244</u>	<u>789,235</u>
7	Debtors	2000 £	1999 £
	Trade debtors	2,099,403	2,290,943
	Amounts owed by parent and fellow subsidiary undertakings	18,412	385,380
	Amounts owed by subsidiary undertakings	1,200	1,200
	Other debtors	27,864	13,231
	Prepayments and accrued income	277,190	199,455
		<u>2,424,069</u>	<u>2,890,209</u>
8	Creditors: amounts falling due within one year	2000 £	1999 £
	Bank overdraft	1,268,696	1,143,717
	Trade creditors	1,192,333	1,454,673
	Corporation tax	21,929	23,574
	Other taxes and social security costs	116,069	115,651
	Other creditors	25,582	66,569
	Accruals and deferred income	39,157	51,407
		<u>2,663,766</u>	<u>2,855,591</u>

The bank overdraft is secured by an unlimited debenture over the company's stocks and debtors and a legal charge over leasehold property.

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2000

9	Creditors: amounts falling due after more than one year	2000 £	1999 £
	Other loans	<u>100,000</u>	<u>400,000</u>
	Analysis of loans		
	Wholly repayable within five years	<u>100,000</u>	<u>400,000</u>
		<u>100,000</u>	<u>400,000</u>
	Loan maturity analysis		
	In more than one year but not more than two years	<u>100,000</u>	<u>400,000</u>

The loan of £100,000 is repayable at one year's notice given by the parent company.

10 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

11	Share capital	2000 £	1999 £
	Authorised		
	250,000 Ordinary shares of £ 1 each	<u>250,000</u>	<u>250,000</u>
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2000	325,624
Retained profit for the year	<u>35,893</u>
Balance at 31 December 2000	<u>361,517</u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2000

13 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	35,893	39,983
Opening shareholders' funds	425,624	385,641
Closing shareholders' funds	461,517	425,624

14 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Expiry date:				
Between two and five years	100,000	100,000	25,330	25,330

16 Auditors interest in shares of parent company

C J Mourton FCCA, a partner of Hazlewoods (the company's auditors) holds 15,000 of the parent company's ordinary £1 shares jointly and non-beneficially with C G Bence, as trustee of the C G Bence Children's Trust.

16 Ultimate parent company

The ultimate parent company is George Bence & Sons Limited, a company registered in England and Wales and controlled by Mr C G Bence.