

Cheltenham

Company Registration No. 2447653 (England and Wales)

GEORGE BENCE AND SONS (CHELTENHAM) LTD

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2002



GEORGE BENCE AND SONS (CHELTENHAM) LTD

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GEORGE BENCE AND SONS (CHELTENHAM) LTD

DIRECTORS' REPORT for the year ended 31 December 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities and review of the business

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

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 2002:

C G Bence

I Crowe

P J Clinch

I P Stacey (Resigned 23 October 2002)

Directors' interests

At no time during the year did the directors hold a direct interest in the shares of the company.

The directors at 31 December 2002, together with their interests, as defined by the Companies Act 1985, in shares of the parent company, George Bence and Sons Limited at that date and at the beginning of the year, were as follows:

	2002 Beneficial	2001 Beneficial
C G Bence	100,166	100,166
I Crowe	-	-
P J Clinch	-	-

In addition to the above shareholding, C G Bence and I Crowe hold 15,000 £1 ordinary shares in the parent company jointly on a non-beneficial basis in their capacity as trustees of the C G Bence Childrens Trust.

C J Mourton FCCA, a partner of the company's auditors Hazlewoods, ceased to be a trustee of the C G Bence Childrens Trust on 18 December 2002.

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 2002

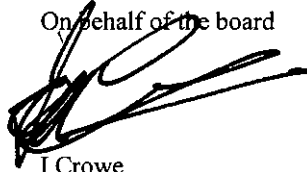
Directors' responsibilities

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

4 July 2003

GEORGE BENCE AND SONS (CHELTENHAM) LTD

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

Basis of audit opinion

We have examined the abbreviated accounts set out on pages 4 to 13, together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

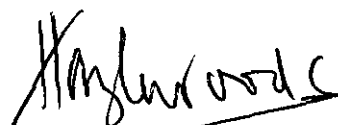
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 audit 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 13 are properly prepared in accordance with that provision.



Hazelwoods

Chartered Accountants

Registered Auditor

4 July 2003

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 2002

		2002	2001
	Notes	£	£
Gross profit		3,296,161	3,064,537
Distribution costs		(991,983)	(920,616)
Administrative expenses		(2,067,373)	(1,934,974)
Operating profit	3	236,805	208,947
Interest payable and similar charges	4	(60,949)	(72,215)
Profit on ordinary activities before taxation		175,856	136,732
Tax on profit on ordinary activities	5	(51,706)	(49,491)
Profit on ordinary activities after taxation	12	124,150	87,241

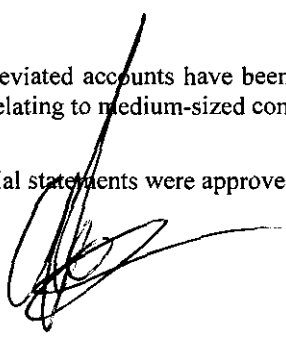
GEORGE BENCE AND SONS (CHELTENHAM) LTD

ABBREVIATED BALANCE SHEET as at 31 December 2002

	Notes	2002 £	£	2001 £	£
Current assets					
Stocks	6	765,210		734,620	
Debtors	7	3,225,776		2,826,749	
Cash at bank and in hand		1,910		2,030	
		<u>3,992,896</u>		<u>3,563,399</u>	
Creditors: amounts falling due within one year	8	<u>(3,319,988)</u>		<u>(2,914,641)</u>	
Total assets less current liabilities			672,908		648,758
Creditors: amounts falling due after more than one year	9		-		(100,000)
			<u>672,908</u>		<u>548,758</u>
Capital and reserves					
Called up share capital	11		100,000		100,000
Profit and loss account	12		572,908		448,758
Shareholders' funds - equity interests	13		<u>672,908</u>		<u>548,758</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 4 July 2003


C G Bence
Director

GEORGE BENCE AND SONS (CHELTENHAM) LTD

CASH FLOW STATEMENT for the year ended 31 December 2002

	2002		2001	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(6,220)		182,273
Returns on investments and servicing of finance				
Interest paid	(60,949)		(72,215)	
Net cash outflow for returns on investments and servicing of finance		(60,949)		(72,215)
Taxation		(48,344)		(23,076)
Net cash (outflow)/inflow before management of liquid resources and financing		(115,513)		86,982
Financing				
Repayment of other loan	(100,000)		-	
Net cash outflow from financing		(100,000)		-
(Decrease)/increase in cash in the year		(215,513)		86,982

GEORGE BENCE AND SONS (CHELTENHAM) LTD

NOTES TO THE CASH FLOW STATEMENT for the year ended 31 December 2002

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2002	2001
		£	£
	Operating profit	236,805	208,947
	(Increase)/decrease in stocks	(30,590)	64,624
	Increase in debtors	(399,027)	(402,680)
	Increase in creditors within one year	186,592	311,382
	Net cash (outflow)/inflow from operating activities	(6,220)	182,273
2	Analysis of net debt	1 January 2002	Cash flow 31 December 2002
		£	£
	Net cash:		
	Cash at bank and in hand	2,030	1,910
	Bank overdrafts	(1,181,774)	(1,397,167)
		(1,179,744)	(1,395,257)
	Debt:		
	Debts falling due after one year	(100,000)	-
	Net debt	(1,279,744)	(1,395,257)
3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	(Decrease)/increase in cash in the year	(215,513)	86,982
	Cash outflow from decrease in debt	100,000	-
	Movement in net debt in the year	(115,513)	86,982
	Opening net debt	(1,279,744)	(1,366,726)
	Closing net debt	(1,395,257)	(1,279,744)

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 December 2002

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 company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has had no effect on the results of the company in either the current or prior year.

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.

1.8 Employee Benefit Trust

In accordance with UITF abstract 32, Employee Benefit Trusts (EBTs) and other intermediate payment arrangements, the company does not include the assets and liabilities of its EBT on its Balance Sheet. It considers that it will not retain any present economic benefit from the assets of the EBT, nor will it have control of the rights or other access to those present economic benefits.

2 Exceptional item

During the previous year, the company's showroom was destroyed in a fire and as a result the company suffered a disruption in its trade until the new showroom could be constructed and utilised. An insurance claim for business interruption has been made to cover the period from 17 July 2001 to 16 July 2002 of which £26,453 relates to the year ended 31 December 2002.

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2002

3	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Operating lease rentals	162,958	159,335
	Auditors' remuneration	8,500	8,000
		<u> </u>	<u> </u>
4	Interest payable	2002	2001
		£	£
	On bank overdraft	60,949	72,215
		<u> </u>	<u> </u>
5	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	51,706	48,344
	Adjustment for prior years	-	1,147
		<u> </u>	<u> </u>
	Current tax charge	51,706	49,491
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	175,856	136,732
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2001: 30.00 %)	52,757	41,020
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	13,202	20,913
	Adjustments to previous periods	-	1,147
	Other tax adjustments	(14,253)	(13,589)
		<u> </u>	<u> </u>
		(1,051)	8,471
		<u> </u>	<u> </u>
	Current tax charge	51,706	49,491
		<u> </u>	<u> </u>

The other tax adjustments above are due to the company's eligibility to claim marginal relief from paying corporation tax at the standard rate of 30%.

6	Stocks	2002	2001
		£	£
	Finished goods and goods for resale	765,210	734,620
		<u> </u>	<u> </u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2002

7 Debtors	2002 £	2001 £
Trade debtors	2,238,808	2,267,288
Amounts owed by parent undertaking	390,405	63,937
Amounts owed by subsidiary undertaking	2,448	1,400
Other debtors	42,317	87,596
Prepayments and accrued income	551,798	406,528
	<u>3,225,776</u>	<u>2,826,749</u>

8 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	1,397,167	1,181,774
Trade creditors	1,375,741	1,332,229
Corporation tax	51,706	48,344
Other taxes and social security costs	126,882	104,606
Other creditors	248,696	180,629
Accruals and deferred income	119,796	67,059
	<u>3,319,988</u>	<u>2,914,641</u>

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

9 Creditors: amounts falling due after more than one year	2002 £	2001 £
Other loans	-	100,000
	<u>-</u>	<u>100,000</u>
Analysis of loans		
Wholly repayable within five years	-	100,000
	<u>-</u>	<u>100,000</u>
Loan maturity analysis		
In more than one year but not more than two years	-	100,000
	<u>-</u>	<u>100,000</u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2002

10 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	148,326	142,314

11 Share capital

	2002 £	2001 £
Authorised		
250,000 Ordinary shares of £ 1 each	250,000	250,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £ 1 each	100,000	100,000

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2002	448,758
Retained profit for the period	124,150
Balance at 31 December 2002	572,908

13 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	124,150	87,241
Opening shareholders' funds	548,758	461,517
Closing shareholders' funds	672,908	548,758

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2002

14 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2002	2001	2002	Other 2001
	£	£	£	£
Expiry date:				
Within one year	-	-	-	13,118
Between two and five years	100,000	100,000	23,336	12,212
	<u>100,000</u>	<u>100,000</u>	<u>23,336</u>	<u>25,330</u>

15 Directors' emoluments

	2002	2001
	£	£
Emoluments for qualifying services	265,477	300,503
Company pension contributions to money purchase schemes	88,659	86,470
	<u>354,136</u>	<u>386,973</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2001- 4).

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

Emoluments for qualifying services	120,000	134,935
Company pension contributions to money purchase schemes	<u>70,023</u>	<u>68,636</u>

GEORGE BENCE AND SONS (CHELTENHAM) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 31 December 2002

16 Employees

Number of employees

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

	2002 Number	2001 Number
Distribution	38	35
Administration	55	46
	<u>93</u>	<u>81</u>

Employment costs

	£	£
Wages and salaries	1,680,579	1,517,683
Social security costs	150,808	131,490
Other pension costs	148,326	142,314
	<u>1,979,713</u>	<u>1,791,487</u>

17 Control

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