

Registration number 2447653

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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GEORGE BENCE & SONS (CHELTENHAM) LIMITED
CONTENTS

Company Information	1
Directors' Report	2 to 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Statement of Total Recognised Gains and Losses	8
Balance Sheet	9
Notes to the Financial Statements	10 to 17

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
COMPANY INFORMATION

Directors	C G Bence P C Bence C J Coombes
Registered office	41/47 Fairview Road Cheltenham Gloucester GL52 2EJ
Bankers	Lloyds TSB Bank PLC Ley Court Barnett Way Gloucester GL4 3RT National Westminster Bank Plc 118 High Street Cheltenham Gloucester GL50 1EG
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham Gloucester GL50 3AT

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activity

The principal activity of the company is that of builders and plumbers merchants

Directors of the company

The directors who held office during the year were as follows

C G Bence

P C Bence

C J Coombes (appointed 14 November 2011)

Fair review of the business

The directors consider that the business has performed adequately during the year given the market conditions, and consider the financial resources available to the company at the year end to be sufficient

The results for the year, which are set out in the profit and loss account, show pre-tax profit for the year of £396,520 (2010 - loss of £188,049) The company has trade debtors of £1,905,279 (2010 - £1,658,254) and trade creditors of £1,841,901 (2010 - £1,633,424) The company has no long term debt

The above results are stated after adjusting for the prior year adjustment as described in note 14 to these financial statements

Key performance indicators

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or the position of the business

Principal risks and uncertainties

The management of the company and the execution of the company's strategy are subject to a number of risks The key business risks and uncertainties affecting the company are considered to relate to the general economic climate, and competition from other national builders merchants

Financial instruments

The company does not actively use financial instruments as part of its financial risk management It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures The nature of its financial instruments means that they are not subject to price or liquidity risk

Going concern and liquidity risk

In accordance with Financial Reporting Council's 'Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2006' the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting

The company has sufficient financial resources available and is currently trading profitably and generating cash The directors have prepared forecast for the next 12 months that indicate that this trend will continue The directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

Future developments

The external commercial environment is expected to remain challenging during 2012, and the directors are ready to react to any changes in trading conditions in order to maintain and improve their performance in the future

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

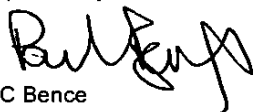
Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office

Medium sized company provisions

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006

Approved by the Board on 9 August 2012 and signed on its behalf by



P C Bence
Director

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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 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 financial statements 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GEORGE BENCE & SONS (CHELTENHAM) LIMITED**

We have audited the financial statements of George Bence & Sons (Cheltenham) Limited for the year ended 31 December 2011, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

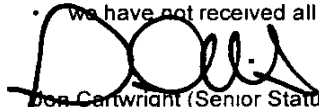
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GEORGE BENCE & SONS (CHELTENHAM) LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Don Cartwright (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

9 August 2012

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	(As restated)
	Note	£	2010
			£
Turnover	2	12,438,280	10,456,200
Cost of sales		(8,845,341)	(7,272,548)
Gross profit		3,592,939	3,183,652
Distribution costs		(1,113,502)	(1,056,349)
Administrative expenses		(2,380,963)	(2,264,781) ¹
Other operating income		300,000	-
Operating profit/(loss)	3	398,474	(137,478)
Interest payable and similar charges	6	(1,954)	(50,571)
Profit/(loss) on ordinary activities before taxation		396,520	(188,049)
Tax on profit/(loss) on ordinary activities	7	(56,454)	17,043
Profit/(loss) for the financial year	12	340,066	(171,006)

Turnover and operating profit derive wholly from continuing operations

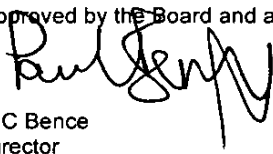
GEORGE BENICE & SONS (CHELTENHAM) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	(As restated) 2010 £
Profit/(loss) for the financial year		340,066	(171,006)
Prior year adjustment		<u>(312,594)</u>	<u>-</u>
Total recognised gains and losses since last annual report		<u>27,472</u>	<u>(171,006)</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
(REGISTRATION NUMBER 2447653)
BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	2011 £	(As restated) 2010 £
Current assets			
Stocks	8	1,261,756	1,208,296
Debtors	9	2,993,226	2,791,085
Cash at bank and in hand		3,966	4,102
		<u>4,258,948</u>	<u>4,003,483</u>
Creditors Amounts falling due within one year	10	<u>(4,034,754)</u>	<u>(4,119,355)</u>
Net assets/(liabilities)		<u>224,194</u>	<u>(115,872)</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account	12	<u>124,194</u>	<u>(215,872)</u>
Shareholders' funds/(deficit)	13	<u>224,194</u>	<u>(115,872)</u>

Approved by the Board and authorised for issue on 9 August 2012 and signed on its behalf by


P C Bence
Director

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

Basis of preparation

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

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Stocks

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 of completion and disposal

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme

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 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

3 Operating profit/(loss)

Operating profit/(loss) is stated after charging

	2011 £	2010 £
Operating leases	79,999	75,595
Auditor's remuneration	<u>8,000</u>	<u>8,000</u>

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2011 No	2010 No
Administration and support	53	55
Distribution	<u>30</u>	<u>28</u>
	<u>83</u>	<u>83</u>

The aggregate payroll costs were as follows

	2011 £	2010 £
Wages and salaries	2,022,179	1,995,370
Social security costs	197,080	200,086
Staff pensions	<u>111,474</u>	<u>151,210</u>
	<u>2,330,733</u>	<u>2,346,666</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2011	2010
	£	£
Remuneration (including benefits in kind)	199,376	226,751
Company contributions paid to money purchase schemes	<u>19,115</u>	<u>57,377</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011	2010
	No	No
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>2</u>

In respect of the highest paid director

	2011	2010
	£	£
Remuneration	<u>109,746</u>	<u>108,725</u>

6 Interest payable and similar charges

	2011	2010
	£	£
Interest on bank borrowings	<u>1,954</u>	<u>50,571</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

7 Taxation

Tax on profit on ordinary activities

	2011	(As restated)
	£	2010
		£
Deferred tax		
Origination and reversal of timing differences	<u>56,454</u>	<u>(17,043)</u>

Factors affecting current tax charge for the year

Tax on profit/(loss) on ordinary activities for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK of 27% (2010 - 28%)

The differences are reconciled below

	2011	(As restated)
	£	2010
		£
Profit/(loss) on ordinary activities before taxation	<u>396,520</u>	<u>(188,049)</u>
Corporation tax at standard rate	107,060	(52,654)
Non-taxable income	(81,000)	-
Non deductible expenses	13,915	10,747
Tax losses carried forward	-	41,907
Tax losses utilised	<u>(39,975)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

The company has estimated losses of £734,559 (2010 - £882,616) available for carry forward against future trading profits

8 Stocks

	2011	(As restated)
	£	2010
		£
Stocks	<u>1,261,756</u>	<u>1,208,296</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9 Debtors

	2011	(As restated)
	£	2010
		£
Trade debtors	1,905,279	1,658,254
Amounts owed by group undertakings	2,948	2,948
Other debtors	55,550	55,609
Deferred tax	195,120	251,574
Prepayments and accrued income	834,329	822,700
	<u>2,993,226</u>	<u>2,791,085</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 January 2011	251,574
Deferred tax charged to the profit and loss account	<u>(56,454)</u>
At 31 December 2011	<u>195,120</u>

Analysis of deferred tax

	2011	2010
	£	£
Other timing differences	4,135	4,442
Tax losses available	<u>190,985</u>	<u>247,132</u>
	<u>195,120</u>	<u>251,574</u>

10 Creditors Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	1,841,901	1,633,424
Bank overdraft	189,989	235,130
Amounts owed to group undertakings	1,731,850	1,938,752
Other taxes and social security	189,520	214,490
Other creditors	64,400	68,983
Accruals and deferred income	<u>17,094</u>	<u>28,576</u>
	<u>4,034,754</u>	<u>4,119,355</u>

The bank overdraft is secured by an unlimited debenture over the company's assets

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

11 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

12 Reserves

	Profit and loss account £
At 1 January 2011	96,722
Prior year adjustment	(312,594)
At 1 January 2011 as restated	<u>(215,872)</u>
Profit for the year	<u>340,066</u>
At 31 December 2011	<u><u>124,194</u></u>

13 Reconciliation of movement in shareholders' funds

	2011 £	(As restated) 2010 £
Profit/(loss) attributable to the members of the company	<u>340,066</u>	<u>(171,006)</u>
Net addition/(reduction) to shareholders' funds	<u>340,066</u>	<u>(171,006)</u>
Shareholders' (deficit)/funds at 1 January (previously £196,722 before prior year adjustment of £312,594)	<u>(115,872)</u>	<u>55,134</u>
Shareholders' funds/(deficit) at 31 December	<u><u>224,194</u></u>	<u><u>(115,872)</u></u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

14 Prior period adjustments

The prior period adjustment relates to an overstatement of the company's stock, prepayments and the associated effect on the deferred tax asset

The stock valuation for 31 December 2010 and 2009 was overstated by £369,410 and £104,663 respectively, and prepayments at 31 December 2010 were overstated by £24,046. As a result the deferred tax asset was understated by £80,862 and £29,306 at the balance sheet date for 2010 and 2009 respectively.

The impact of the above on the financial statements as originally stated is as follows

- For the year ended 31 December 2009, the reported loss was understated and current assets were overstated for by £75,357, and
- For the year ended 31 December 2010, the reported profit was overstated by £237,237, current assets were overstated by £312,594 and the brought forward profit and loss reserve was overstated by £75,357

15 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £111,474 (2010 - £151,210)

Contributions totalling £15,904 (2010 - £15,863) were payable to the schemes at the end of the year and are included in creditors

16 Commitments

Operating lease commitments

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
Land and buildings		
Within one year	<u>44,000</u>	<u>44,000</u>
Other		
Within one year	25,970	1,345
Within two and five years	<u>4,948</u>	<u>56,163</u>
	<u>30,918</u>	<u>57,508</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

17 Related party transactions

During the year the company made the following related party transactions

Fastvision Limited

(A company owned by Mr A Bence, son of Mr C G Bence)

At the balance sheet date the amount due from Fastvision Limited was £54,595 (2010 - £55,075)

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

18 Control

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