

Registration number 2447653

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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GEORGE BENCE & SONS (CHELTENHAM) LIMITED
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GEORGE BENCE & SONS (CHELTENHAM) LIMITED
COMPANY INFORMATION

Directors Christopher G Bence
Paul C Bence
Carlwyn J Coombes

Company secretary Tern L Stevenson

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 2012

The directors present their report and the financial statements for the year ended 31 December 2012

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

Christopher G Bence

Paul C Bence

Carlwyn J Coombes

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 £265,508 (2011 - £382,815) The company has trade debtors of £1,900,443 (2011 - £1,905,279) and trade creditors of £1,928,060 (2011 - £1,841,901) 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

Future developments

The external commercial environment is expected to remain challenging during 2013, and the directors are ready to react to any changes in trading conditions in order to maintain and improve their performance in the future

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

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 22/08/13 and signed on its behalf by



Paul C Bence
Director

GEORGE BENCE & 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 BENICE & SONS (CHELTENHAM) LIMITED**

We have audited the financial statements of George Benice & Sons (Cheltenham) Limited for the year ended 31 December 2012, set out on pages 7 to 16. 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 auditor

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 2012 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

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

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date 22/8/13

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	(As restated)
	Note	£	2011
			£
Turnover	2	13,452,180	12,438,280
Cost of sales		(10,125,585)	(8,859,046)
Gross profit		3,326,595	3,579,234
Distribution costs		(1,132,879)	(1,113,502)
Administrative expenses		(2,380,059)	(2,380,963)
Other operating income		458,000	300,000
Operating profit	3	271,657	384,769
Interest payable and similar charges	6	(6,149)	(1,954)
Profit on ordinary activities before taxation		265,508	382,815
Tax on profit on ordinary activities	7	17,317	(64,118)
Profit for the financial year	12	282,825	318,697

Turnover and operating profit derive wholly from continuing operations

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	(As restated) 2011 £
Profit for the financial year		282,825	318,697
Prior year adjustment	14	<u>(320,925)</u>	<u>(312,594)</u>
Total recognised gains and losses since last annual report		<u>(38,100)</u>	<u>6,103</u>

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
(REGISTRATION NUMBER 2447653)
BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	2012 £	(As restated) 2011 £
Current assets			
Stocks	8	1,113,200	1,261,756
Debtors	9	2,657,055	2,672,301
Cash at bank and in hand		17,899	3,966
		<u>3,788,154</u>	<u>3,938,023</u>
Creditors Amounts falling due within one year	10	<u>(3,602,060)</u>	<u>(4,034,754)</u>
Net assets/(liabilities)		<u>186,094</u>	<u>(96,731)</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account	12	86,094	(196,731)
Shareholders' funds/(deficit)	13	<u>186,094</u>	<u>(96,731)</u>

Approved by the Board and authorised for issue on 22/08/13 and signed on its behalf by


Paul C Bence
Director

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

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 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 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 BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Operating leases	110,957	106,294
Auditor's remuneration	<u>8,240</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

	2012 No	2011 No
Administration and support	55	53
Distribution	<u>31</u>	<u>30</u>
	<u>86</u>	<u>83</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	2,133,768	2,022,179
Social security costs	205,418	197,080
Staff pensions	<u>108,531</u>	<u>111,474</u>
	<u>2,447,717</u>	<u>2,330,733</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

5 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including benefits in kind)	231,159	199,376
Company contributions paid to money purchase schemes	<u>17,646</u>	<u>19,115</u>

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

	2012 No	2011 No
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director

	2012 £	2011 £
Remuneration	<u>101,152</u>	<u>109,746</u>

6 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	<u>6,149</u>	<u>1,954</u>

7 Taxation

Tax on profit on ordinary activities

	2012 £	(As restated) 2011 £
Deferred tax		
Origination and reversal of timing differences	<u>(17,317)</u>	<u>64,118</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 27%)

The differences are reconciled below

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	(As restated) 2011 £
Profit on ordinary activities before taxation	<u>265,508</u>	<u>382,815</u>
Corporation tax at standard rate	65,049	103,360
Non-taxable income	(112,210)	(81,000)
Non deductible expenses	2,419	13,915
Tax losses carried forward	44,742	-
Tax losses utilised	<u>-</u>	<u>(36,275)</u>
Total current tax	<u>-</u>	<u>-</u>

The company has estimated losses of £1,508,703 (2011 - £1,325,583) available to carry forward against future trading profits

8 Stocks

	2012 £	2011 £
Stocks	<u>1,113,200</u>	<u>1,261,756</u>

9 Debtors

	2012 £	(As restated) 2011 £
Trade debtors	1,900,443	1,905,279
Amounts owed by group undertakings	2,948	2,948
Other debtors	54,115	55,550
Deferred tax	361,969	344,652
Directors' current accounts	2,372	-
Prepayments and accrued income	<u>335,208</u>	<u>363,872</u>
	<u>2,657,055</u>	<u>2,672,301</u>

Deferred tax

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

	£
At 1 January 2012	344,652
Deferred tax credited to the profit and loss account	<u>17,317</u>
At 31 December 2012	<u>361,969</u>

GEORGE BENICE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Analysis of deferred tax

	2012 £	2011 £
Other timing differences	3,658	4,135
Tax losses available	<u>358,311</u>	<u>340,517</u>
	<u>361,969</u>	<u>344,652</u>

10 Creditors Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,928,060	1,841,901
Bank overdraft	312,459	189,989
Amounts owed to group undertakings	963,846	1,731,850
Other taxes and social security	231,767	189,520
Other creditors	101,349	64,400
Accruals and deferred income	<u>64,579</u>	<u>17,094</u>
	<u>3,602,060</u>	<u>4,034,754</u>

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

11 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	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 2012	124,194
Prior year adjustment	<u>(320,925)</u>
At 1 January 2012 as restated	(196,731)
Profit for the year	<u>282,825</u>
At 31 December 2012	<u>86,094</u>

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

13 Reconciliation of movement in shareholders' funds

	2012 £	(As restated) 2011 £
Profit attributable to the members of the company	282,825	318,697
Net addition to shareholders' funds	282,825	318,697
Shareholders' deficit at 1 January (previously £224,194 before prior year adjustment of £320,925)	(96,731)	(415,428)
Shareholders' funds/(deficit) at 31 December	<u>186,094</u>	<u>(96,731)</u>

14 Prior period adjustment

The prior period adjustment relates to an overstatement of rebates due from suppliers and the associated effect on the deferred tax asset

Rebates provided at 31 December 2011 and 2010 were overstated by £470,457 and £456,752 respectively. As a result, at 31 December 2011 and 2010, the deferred tax asset was understated by £149,532 and £157,196 respectively.

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

- For the periods ended 31 December 2010, the reported retained profit and loss reserves and current assets were overstated by £299,556, and
- For the year ended 31 December 2011, the reported profit was overstated by £21,369 and current assets were overstated by £320,925

15 Pension schemes

Defined contribution pension scheme

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 £108,531 (2011 - £111,474)

Contributions totalling £4,814 (2011 - £15,904) were payable to the schemes at the end of the year and are included in creditors

GEORGE BENCE & SONS (CHELTENHAM) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

16 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within one year	44,000	44,000
Other		
Within one year	-	25,970
Within two and five years	26,938	4,948
	<u>26,938</u>	<u>30,918</u>

17 Related party transactions

Other 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 £54,115 (2011 - £54,595)

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