

J.Preedy & Sons Limited

Financial Statements

31st March 2000



J.Preedy & Sons Limited
Financial Statements
for the year ended 31st March 2000

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J.Preedy & Sons Limited

Financial Statements

31st March 2000

Chairman	GA Preedy
Other Directors	DS Preedy RT Preedy
Secretary	RT Preedy
Registered Office	Lamb Works North Road LONDON N7 9DP
Registered Number	372371 (England & Wales)
Bankers	Alliance & Leicester Group Treasury plc Carlton Park LEICESTER LE9 5XX Girobank plc Bootle Merseyside GIR 0AA
Auditors	Waldman & Company - Chartered Accountants Admiral Rodney House 17 Church Street Walton on Thames Surrey KT12 2QP

J.Preedy & Sons Limited
Directors' Report
31st March 2000

The Directors present their Report and the Financial Statements for the year ended 31st March 2000.

Principal Activity

The principal activity of the company is that of glass merchants and glass processors.

Business Review

A summary of the year is given on page 5 of the accounts. The Directors consider the state of affairs to be satisfactory and shareholders funds amounted to £1,738,421 at the end of the year. During the year turnover and profit was boosted by the inclusion of a major contract re. glass cladding and fixing at the Millennium Dome.

Dividends

The Directors recommend an ordinary dividend of £62,500 (1999 £50,000).

Fixed Assets

Changes in fixed assets during the year are set out in note 8 to the accounts.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:-

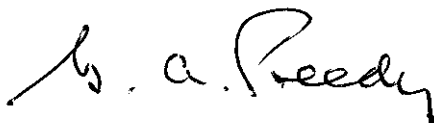
	31st March 2000 Ordinary Shares	1st April 1999 Ordinary Shares
GA Preedy	325	325
DS Preedy	250	250
RT Preedy	1810	2500
RT Preedy as Trustee with no beneficial interest	690	-

Auditors

The auditors, Messrs Waldman & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 28th December 2000 and signed on it's behalf.

GA Preedy



Chairman

Statement of Directors' Responsibilities

We are required under company law 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 we are required to:-

- ▶ **select suitable accounting policies and apply them consistently;**
- ▶ **all applicable accounting standards have been followed.**
- ▶ **make reasonable and prudent judgements and estimates;**
- ▶ **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.**

We are also responsible for:-

- ▶ **keeping proper accounting records;**
- ▶ **safeguarding the company's assets;**
- ▶ **taking reasonable steps for the prevention and detection of fraud.**

On behalf of the board

GA Preedy
Chairman



J.Preedy & Sons Limited

Auditors' Report

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on pages 8 and 9

Respective responsibilities of Directors and Auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at the 31st March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Waldman & Company - Chartered Accountants & Registered Auditors
17 Church Street
Walton on Thames
Surrey
KT12 2QP

29th December 2000

J.Preedy & Sons Limited**Profit & Loss Account****for the year ended 31st March 2000**

		2000	1999
	Note	£	£
Turnover	2	4,523,707	3,486,527
Cost of sales		(2,718,216)	(2,107,395)
Gross profit		1,805,491	1,379,132
Net operating expenses			
Distribution costs		(61,532)	(70,136)
Administrative expenses		(1,330,404)	(1,088,073)
Operating profit	3	413,555	220,923
Interest receivable		55,368	61,193
Interest payable	5	(1,388)	(6,104)
Profit on sale of assets		13,250	11,194
Profit on ordinary activities before taxation		480,785	287,206
Taxation	6	(97,554)	(90,994)
Profit on ordinary activities after taxation		383,231	196,212
Dividends	7	(62,500)	(50,000)
Retained profit for the year	15	320,731	146,212

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains or losses in 2000 or 1999 other than the profit for the year.

The notes on pages 8 to 14 form part of these financial statements.

J.Preedy & Sons Limited

Balance Sheet

31st March 2000

		2000		1999	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		1,197,221		1,153,541
Investment	19		2		2
			<u>1,197,223</u>		<u>1,153,543</u>
Current assets					
Stocks	9	221,512		214,657	
Debtors	10	714,137		769,885	
Cash at bank and in hand		<u>1,197,851</u>		<u>854,937</u>	
		2,133,500		1,839,479	
Creditors: amounts falling due within one year	11	<u>(1,332,189)</u>		<u>(1,333,506)</u>	
Net current assets			<u>801,311</u>		<u>505,973</u>
Total assets less current liabilities			1,998,534		1,659,516
Creditors: amounts falling due after more than one year	12		(49,537)		(14,517)
Deferred taxation	13		<u>(210,576)</u>		<u>(227,309)</u>
			<u>1,738,421</u>		<u>1,417,690</u>
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account	15		<u>1,733,421</u>		<u>1,412,690</u>
Total shareholders' funds	16		<u>1,738,421</u>		<u>1,417,690</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 28th December 2000



RT Preedy - Director

The notes on pages 8 to 14 form part of these financial statements.

J.Preedy & Sons Limited
Cash Flow Statement
For the year ended 31st March 2000

	2000	1999
	£	£
Net cash inflow from operating activities	<u>637,509</u>	<u>334,352</u>
Returns on investments and servicing of finance		
Interest received	55,368	61,193
Interest paid	(1,388)	(4,683)
Interest paid on finance leases		(1,421)
Dividends paid	(50,000)	(50,000)
Net cash inflow from returns on investments and servicing of finance (1998 outflow)	<u>3,980</u>	<u>5,089</u>
Taxation		
UK Corporation tax paid	(61,666)	(65,483)
Investing activities		
Purchase of tangible fixed assets	(238,965)	(258,942)
Purchase of investment		(2)
Sale of tangible fixed assets	40,200	25,486
Net cash outflow from investing activities	<u>(198,765)</u>	<u>(233,458)</u>
Net cash inflow/(outflow) before financing	<u>381,058</u>	<u>40,500</u>
Financing		
Repayment of loans	(79,236)	(13,192)
(Repayment)/Increase of principal under HP & finance leases	41,092	970
Net cash (outflow)/inflow from financing	<u>(38,144)</u>	<u>(12,222)</u>
Increase in cash and cash equivalents	<u>342,914</u>	<u>28,278</u>

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2000	1999
	£	£
Continuing Activities		
Operating profit	413,555	220,923
Depreciation of tangible fixed assets	168,335	144,607
(Increase)/Decrease in stocks	(6,855)	(60,633)
(Increase)/Decrease in trade debtors	72,305	(67,693)
(Increase)/Decrease in prepayments and accrued income	(16,557)	(10,816)
Increase/(Decrease) in trade creditors	(18,146)	38,497
Increase/(Decrease) in other taxation and social security	(19,068)	10,918
Increase/(Decrease) in deposit monies in advance from customers	8,341	-
Increase/(Decrease) in accruals and deferred income	49,037	61,075
Increase/(Decrease) in sundry creditors	(13,438)	(2,526)
Net cash inflow from continuing operating activities	<u>637,509</u>	<u>334,352</u>

The notes on pages 8 to 14 form part of these financial statements.

Notes on Financial Statements

31st March 2000

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:-

Freehold buildings (excluding land)	- over 50 years
Leasehold property	- over the term of the lease
Plant & equipment	- over 5 years
Motor vehicles	- over 4 and 5 years
Computer equipment & office machinery	- over 4 years
Fixtures & fittings	- over 10 years

No depreciation is provided on freehold land

Leasing & Hire Purchase

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are all over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future. Provision is also made for potential Capital Gains Tax liability.

Notes on Financial Statements

31st March 2000

1. (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Pension costs

Contributions in respect of the company's defined benefit pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

2. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

3. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging		
Staff costs (note 4)	1,403,909	1,314,427
Auditors' remuneration - audit work	7,500	6,000
- accountancy	4,230	4,500
Operating leases - rent of premises and hire of plant & machinery	38,137	25,332
Depreciation of tangible fixed assets (note 8)		
Owned assets	150,210	139,384
Leased assets	18,125	5,223

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2000

4. Directors and employees

	2000	1999
	£	£
Staff costs including directors' emoluments		
Wages and salaries	1,209,541	1,132,611
Social security costs	108,693	97,271
Other pension costs	85,675	84,545
	<u>1,403,909</u>	<u>1,314,427</u>

	Number	Number
Average number employed including executive directors		
Office and management	21	21
Others	28	30
	<u>49</u>	<u>51</u>

Directors' remuneration

	£	£
Emoluments for services as directors	189,414	169,414
Benefits	29,039	24,936
Pension payments	-	13,230
	<u>218,453</u>	<u>207,580</u>
Remuneration of the highest paid director was	<u>125,480</u>	<u>119,173</u>

5. Interest payable

	2000	1999
	£	£
Loan interest	1,388	4,683
Hire and lease purchase	-	1,421
	<u>1,388</u>	<u>6,104</u>

6. Taxation

	2000	1999
	£	£
Corporation tax on profit on ordinary activities at 30% (1999 21%)	114,287	61,666
Deferred taxation	(16,733)	29,328
	<u>97,554</u>	<u>90,994</u>

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2000

7. Dividends

	2000	1999
	£	£
Dividends on Ordinary Shares - proposed	<u>62,500</u>	<u>50,000</u>

8. Tangible fixed assets

	Motor Vehicles	Plant and Equipment	Land and Buildings	Total
	£	£	£	£
Cost or Valuation				
1st April 1999	256,682	1,359,499	807,736	2,423,917
Additions	69,912	169,053		238,965
Disposals	(56,245)	(153,581)		(209,826)
31st March 2000	<u>270,349</u>	<u>1,374,971</u>	<u>807,736</u>	<u>2,453,056</u>
Depreciation				
1st April 1999	113,318	1,046,679	110,379	1,270,376
Charge for year	47,360	109,820	11,155	168,335
Disposals	(47,264)	(135,612)		(182,876)
31st March 2000	<u>113,414</u>	<u>1,020,887</u>	<u>121,534</u>	<u>1,255,835</u>
Net book amount				
31st March 2000	<u>156,935</u>	<u>354,084</u>	<u>686,202</u>	<u>1,197,221</u>
1st April 1999	<u>143,364</u>	<u>312,820</u>	<u>697,357</u>	<u>1,153,541</u>

Land and buildings includes a land value of £250,000 at cost which is not depreciated. In the opinion of the directors the value of the land exceeds the cost, therefore does not require depreciation.

The net book amount of fixed assets includes £81,961 (1999 £45,259) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9. Stocks

	2000	1999
	£	£
Raw materials and consumables	104,559	122,072
Finished goods and goods for sale	116,953	92,585
	<u>221,512</u>	<u>214,657</u>

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2000

10. Debtors: amounts falling due within one year

	2000	1999
	£	£
Trade debtors	661,732	734,037
Other debtors	32,809	24,646
Prepayments	19,596	11,202
	<u>714,137</u>	<u>769,885</u>

11. Creditors: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	268,732	286,878
Corporation tax	108,037	55,416
Other taxation and social security	162,636	181,704
Other creditors	238,997	319,171
Deposit monies in advance from customers	85,653	77,312
Accruals	443,723	394,686
Net obligations under finance leases and hire purchase contracts - note 12	24,411	18,339
	<u>1,332,189</u>	<u>1,333,506</u>

12. Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Net obligations under finance leases and hire purchase contracts - secured on the assets concerned	49,537	14,517
	<u>49,537</u>	<u>14,517</u>

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2000

13. Deferred taxation

	2000		1999	
	Potential	Provision	Potential	Provision
	Liability	made	Liability	made
	£	£	£	£
Corporation tax deferred by other timing differences	(39,261)	(39,261)	(50,284)	(50,284)
Potential Capital Gains tax liability - this arises from the holdover gain on the disposal of freehold premises in earlier years	(171,315)	(171,315)	(177,025)	(177,025)
	<u>(210,576)</u>	<u>(210,576)</u>	<u>(227,309)</u>	<u>(227,309)</u>

The potential liability and provision are based on a corporation tax rate of 30% (1999 31%)

14. Called up share capital

	2000		1999	
	Number	£	Number	£
	of		of	
	shares		shares	
Authorised - Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Allotted called up and fully paid - Ordinary shares of £1 each	5,000	5,000	5,000	5,000

15. Profit & Loss account

	2000	1999
	£	£
Balance brought forward	1,412,690	1,266,478
Retained profit for the year	320,731	146,212
Balance at 31st March 2000	<u>1,733,421</u>	<u>1,412,690</u>

Notes on Financial Statements

31st March 2000

16. Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	383,231	196,212
Dividends	(62,500)	(50,000)
	<u>320,731</u>	<u>146,212</u>
Opening shareholders' funds	1,417,690	1,271,478
Closing shareholders' funds	<u>1,738,421</u>	<u>1,417,690</u>

17. Related Parties

The company occupies premises owned by the directors' pension scheme under a 21 year lease dated 1st December 1982. The rent for the property was £25,000 pa (1999 £25,000) and at the balance sheet date no amount was outstanding.

18. Post Balance Sheet Events

Subsequent to the 31st March 2000 the Company has acquired a freehold warehouse premises in Park Royal for the sum of £305,717.

19. Subsidiary Company

The Company owns the total issued share capital of Preedy Glass (Watford) Limited - 2 Ordinary Shares of £1 each - the company is registered in England and does not trade.