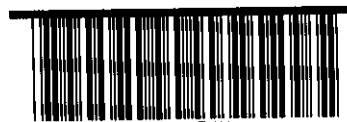


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J.Preedy & Sons Limited

Financial Statements

31st March 2001



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J.Preedy & Sons Limited
Financial Statements
for the year ended 31st March 2001

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J.Preedy & Sons Limited

Financial Statements

31st March 2001

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 2001

The Directors present their Report and the Financial Statements for the year ended 31st March 2001.

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 £1,908,761 at the end of the year.

Dividends

The Directors recommend an ordinary dividend of £50,000 (2000 £62,500).

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 2001 Ordinary Shares	1st April 2000 Ordinary Shares
GA Preedy	325	325
DS Preedy	250	250
RT Preedy	1810	1810
RT Preedy as Trustee with no beneficial interest	690	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 19th December 2001 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

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 2001 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

20th December 2001

J.Preedy & Sons Limited

Profit & Loss Account

for the year ended 31st March 2001

		2001	2000
	Note	£	£
Turnover	2	3,641,021	4,523,707
Cost of sales		(1,997,003)	(2,718,216)
Gross profit		1,644,018	1,805,491
Net operating expenses			
Distribution costs		(88,196)	(61,532)
Administrative expenses		(1,434,698)	(1,330,404)
Operating profit	3	121,124	413,555
Interest receivable		73,267	55,368
Interest payable	5	(6,375)	(1,388)
Profit on sale of assets		3,548	13,250
Profit on ordinary activities before taxation		191,564	480,785
Taxation	6	28,776	(97,554)
Profit on ordinary activities after taxation		220,340	383,231
Dividends	7	(50,000)	(62,500)
Retained profit for the year	15	170,340	320,731

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

There are no recognised gains or losses in 2001 or 2000 other than the profit for the year.

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

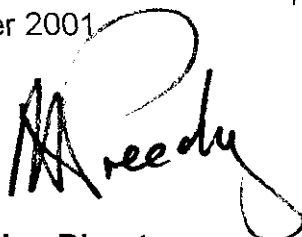
J.Preedy & Sons Limited

Balance Sheet

31st March 2001

		2001		2000	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		1,473,556		1,197,221
Investment			-		2
			<u>1,473,556</u>		<u>1,197,223</u>
Current assets					
Stocks	9	391,065		221,512	
Debtors	10	607,472		714,137	
Cash at bank and in hand		<u>1,078,662</u>		<u>1,197,851</u>	
		2,077,199		2,133,500	
Creditors: amounts falling due within one year	11	<u>(1,472,350)</u>		<u>(1,332,189)</u>	
Net current assets			<u>604,849</u>		<u>801,311</u>
Total assets less current liabilities			2,078,405		1,998,534
Creditors: amounts falling due after more than one year	12		(28,628)		(49,537)
Deferred taxation	13		<u>(141,016)</u>		<u>(210,576)</u>
			<u>1,908,761</u>		<u>1,738,421</u>
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account	15		<u>1,903,761</u>		<u>1,733,421</u>
Total shareholders' funds	16		<u>1,908,761</u>		<u>1,738,421</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 19th December 2001.



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 2001

	2001	2000
	£	£
Net cash inflow from operating activities	<u>363,996</u>	<u>637,509</u>
Returns on investments and servicing of finance		
Interest received	73,267	55,368
Interest paid	(6,375)	(1,388)
Dividends paid	(62,500)	(50,000)
Net cash inflow from returns on investments and servicing of finance	<u>4,392</u>	<u>3,980</u>
Taxation		
UK Corporation tax paid	<u>(108,037)</u>	<u>(61,666)</u>
Investing activities		
Purchase of tangible fixed assets	(463,586)	(238,965)
Sale of tangible fixed assets	7,027	40,200
Net cash outflow from investing activities	<u>(456,559)</u>	<u>(198,765)</u>
Net cash inflow/(outflow) before financing	<u>(196,208)</u>	<u>381,058</u>
Financing		
Increase/(Repayment) of loans	93,725	(79,236)
(Repayment)/Increase of principal under HP & finance leases	(16,706)	41,092
Net cash (outflow)/inflow from financing	<u>77,019</u>	<u>(38,144)</u>
Increase in cash and cash equivalents	<u>(119,189)</u>	<u>342,914</u>

Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2001	2000
	£	£
Continuing Activities		
Operating profit	121,124	413,555
Depreciation of tangible fixed assets	183,772	168,335
(Increase)/Decrease in stocks	(169,553)	(6,855)
(Increase)/Decrease in trade debtors	143,007	72,305
(Increase)/Decrease in prepayments and accrued income	(36,342)	(16,557)
Increase/(Decrease) in trade creditors	(75,353)	(18,146)
Increase/(Decrease) in other taxation and social security	31,511	(19,068)
Increase/(Decrease) in deposit monies in advance from customers	(12,449)	8,341
Increase/(Decrease) in accruals and deferred income	176,126	49,037
Increase/(Decrease) in sundry creditors	2,153	(13,438)
Net cash inflow from continuing operating activities	<u>363,996</u>	<u>637,509</u>

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

Notes on Financial Statements

31st March 2001

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 & Work in Progress

Stocks & work in progress 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 2001

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**

	2001	2000
	£	£
Operating profit is stated after charging		
Staff costs (note 4)	1,420,916	1,403,909
Auditors' remuneration - audit work	9,000	7,500
- accountancy	1,764	4,230
Operating leases - rent of premises and hire of plant & machinery	28,093	38,137
Depreciation of tangible fixed assets (note 8)		
Owned assets	162,660	150,210
Leased assets	21,112	18,125

Notes on Financial Statements

31st March 2001

4. Directors and employees

	2001	2000
	£	£
Staff costs including directors' emoluments		
Wages and salaries	1,216,125	1,209,541
Social security costs	116,442	108,693
Other pension costs	88,349	85,675
	<u>1,420,916</u>	<u>1,403,909</u>

	Number	Number
Average number employed including executive directors		
Office and management	22	21
Others	26	28
	<u>48</u>	<u>49</u>

Directors' remuneration

	£	£
Emoluments for services as directors	192,239	189,414
Benefits	28,331	29,039
Pension payments	15,000	-
	<u>235,570</u>	<u>218,453</u>
Remuneration of the highest paid director was	<u>127,350</u>	<u>125,480</u>

5. Interest payable

	2001	2000
	£	£
Loan interest	6,375	1,388
	<u>6,375</u>	<u>1,388</u>

6. Taxation

	2001	2000
	£	£
Corporation tax on profit on ordinary activities at 20%	40,784	114,287
Deferred taxation	(69,560)	(16,733)
	<u>(28,776)</u>	<u>97,554</u>

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2001

7. **Dividends**

	2001	2000
	£	£
Dividends on Ordinary Shares - proposed	<u>50,000</u>	<u>62,500</u>

8. **Tangible fixed assets**

	Motor Vehicles	Plant and Equipment	Land and Buildings	Total
	£	£	£	£
Cost or Valuation				
1st April 2000	270,597	1,393,354	807,736	2,471,687
Additions	33,898	121,176	308,512	463,586
Disposals	(22,755)	(11,842)		(34,597)
31st March 2001	<u>281,740</u>	<u>1,502,688</u>	<u>1,116,248</u>	<u>2,900,676</u>
Depreciation				
1st April 2000	113,413	1,039,520	121,533	1,274,466
Charge for year	54,415	116,092	13,265	183,772
Disposals	(19,276)	(11,842)		(31,118)
31st March 2001	<u>148,552</u>	<u>1,143,770</u>	<u>134,798</u>	<u>1,427,120</u>
Net book amount				
31st March 2001	<u>133,188</u>	<u>358,918</u>	<u>981,450</u>	<u>1,473,556</u>
1st April 2000	<u>157,184</u>	<u>353,834</u>	<u>686,203</u>	<u>1,197,221</u>

Land and buildings includes a land value of £400,000 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 £71,030 (2000 £81,961) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9. **Stocks**

	2001	2000
	£	£
Raw materials and consumables	100,238	104,559
Finished goods and goods for sale	275,827	116,953
Work in progress	15,000	-
	<u>391,065</u>	<u>221,512</u>

J.Preedy & Sons Limited

Notes on Financial Statements

31st March 2001

10. **Debtors:** amounts falling due within one year

	2001	2000
	£	£
Trade debtors	518,725	661,732
Other debtors	53,709	32,809
Prepayments	35,038	19,596
	<u>607,472</u>	<u>714,137</u>

11. **Creditors:** amounts falling due within one year

	2001	2000
	£	£
Trade creditors	193,379	268,732
Corporation tax	40,784	108,037
Other taxation and social security	194,181	162,636
Other creditors	197,339	238,997
Deposit monies in advance from customers	73,204	85,653
Accruals	619,849	443,723
Net obligations under finance leases and hire purchase contracts - secured on the assets concerned	28,614	24,411
Loan from pension fund - note 17	125,000	-
	<u>1,472,350</u>	<u>1,332,189</u>

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

	2001	2000
	£	£
Net obligations under finance leases and hire purchase contracts - secured on the assets concerned	28,628	49,537
	<u>28,628</u>	<u>49,537</u>

Notes on Financial Statements

31st March 2001

13. Deferred taxation

	2001		2000	
	Potential Liability	Provision made	Potential Liability	Provision made
	£	£	£	£
Corporation tax deferred by other timing differences	(26,806)	(26,806)	(39,261)	(39,261)
Potential Capital Gains tax liability - this arises from the holdover gain on the disposal of freehold premises in earlier years	(114,210)	(114,210)	(171,315)	(171,315)
	<u>(141,016)</u>	<u>(141,016)</u>	<u>(210,576)</u>	<u>(210,576)</u>

The potential liability and provision are based on a corporation tax rate of 20%

14. Called up share capital

	2001		2000	
	Number of shares	£	Number of shares	£
Authorised - Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Allotted called up and fully paid - Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

15. Profit & Loss account

	2001	2000
	£	£
Balance brought forward	1,733,421	1,412,690
Retained profit for the year	170,340	320,731
Balance at 31st March 2001	<u>1,903,761</u>	<u>1,733,421</u>

Notes on Financial Statements

31st March 2001

16. **Reconciliation of movements in shareholders' funds**

	2001	2000
	£	£
Profit for the financial year	220,340	383,231
Dividends	(50,000)	(62,500)
	<u>170,340</u>	<u>320,731</u>
Opening shareholders' funds	1,738,421	1,417,690
Closing shareholders' funds	<u><u>1,908,761</u></u>	<u><u>1,738,421</u></u>

17. **Transactions with related parties**

(a) The company occupies premises owned by the directors' pension scheme under a 21 year lease dated 1st December 1982 with rent reviews every three years. The rent for the property was £27,750 pa (2000 £25,000).

(b) During the year the Company borrowed £150,000 from the Directors' pension scheme to finance the acquisition of additional freehold property. Interest is payable at commercial rates, and the capital is repayable on demand.

(c) The loan from the Directors' pension scheme is secured by a fixed charge over the Company's assets.

18. **Pension commitments**

The Company operates a defined contribution pension scheme available to all it's staff. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the balance sheet date unpaid contributions of £8,236 (2000 £5,140) were due to the fund. In addition the Company made a further provision of £14,109 (2000 £12,855) against any additional liability.