

JN Bentley Limited

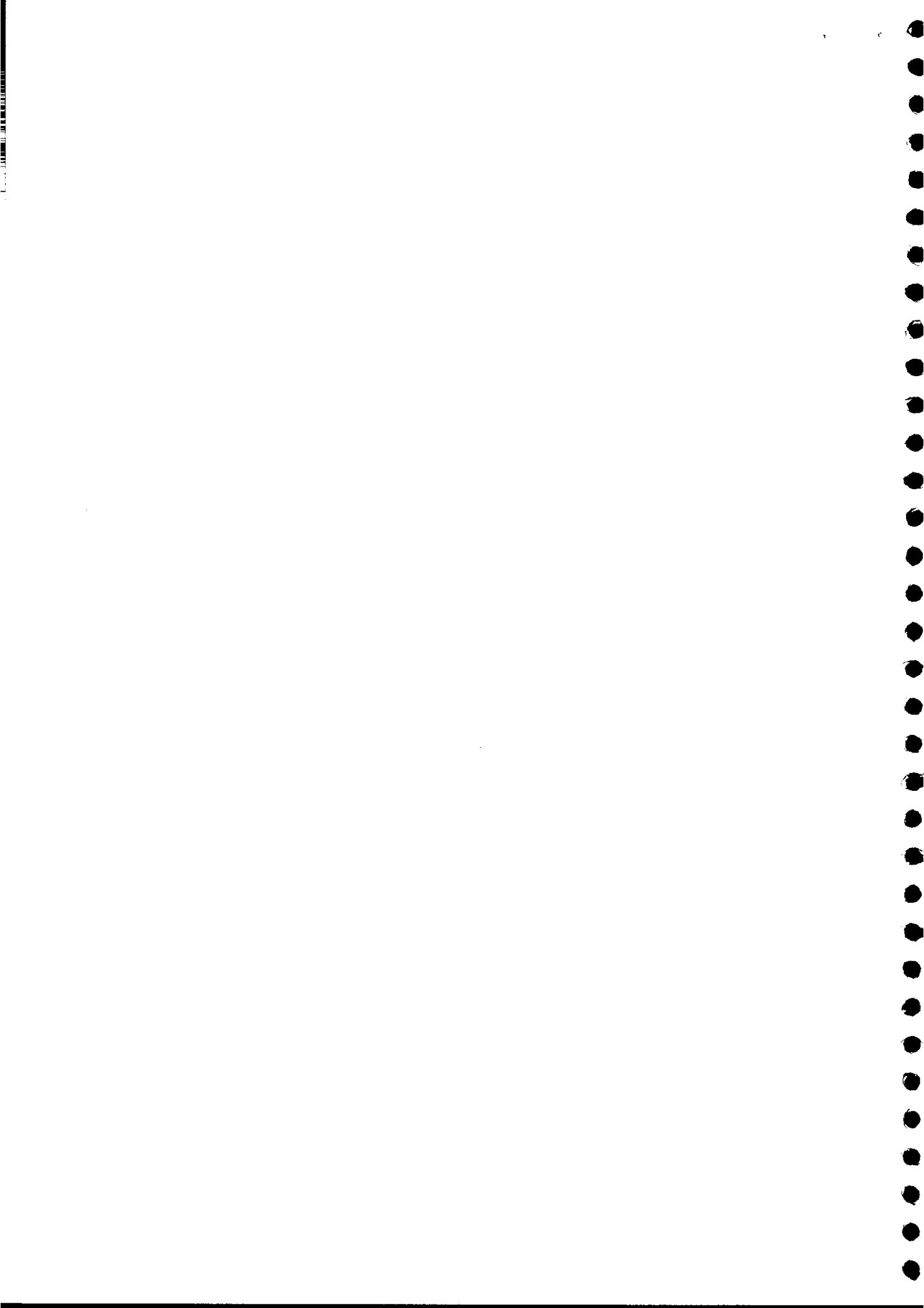
Annual report

for the year ended 31 December 1999

Registered Number 1085646

Signed Copy





JN Bentley Limited

Annual report

for the year ended 31 December 1999

Contents

Directors' report for the year ended 31 December 1999	1
Auditors' report to the members of JN Bentley Limited.....	3
Profit and loss account for the year ended 31 December 1999.....	4
Balance sheet as at 31 December 1999.....	5
Cash flow statement for the year ended 31 December 1999.....	6
Notes to the financial statements for the year ended 31 December 1999	7

JN Bentley Limited

Directors' report for the year ended 31 December 1999

The directors present their report and the audited financial statements of the company for the year ended 31 December 1999.

Principal activities

The principal activities of the Company are of building and civil engineering contractors.

Results and dividends

The Company experienced a very satisfactory trading year. The Directors are further encouraged by the prospects for the current financial year.

Fixed assets

The movements in fixed assets during the year are set out in note 8 to the financial statements.

Directors and their interests

The directors who held office during the year are given below:

	At 31 December 1999		At 31 December 1998	
	Ordinary shares of £1 each	"A" non- voting shares of £1 each	Ordinary shares of £1 each	"A" non- voting shares of £1 each
J N Bentley	7,799	900	7,799	900
J N Bradshaw	-	-	-	-
H F Staiano	-	-	-	-
P R Bentley	-	-	-	-
J M F Cain	-	-	-	-

P R Bentley and J M F Cain were appointed directors on 28 May 1999.

Donations

The Company made charitable donations of £2,455 (1998: £810) during the year.

Year 2000

No significant issues arose in respect of the Year 2000 issue. The costs involved in preparing for the change were not material and have been expensed as incurred.

JN Bentley Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 1999 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



S E Fowler
Secretary

29 March 2000

JN Bentley Limited

Auditors' report to the members of JN Bentley Limited

We have audited the financial statements on pages 4 to 16.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 other irregularity or error. 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 at 31 December 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
29 March 2000

JN Bentley Limited

Profit and loss account for the year ended 31 December 1999

	Note	1999 £	1998 £
Turnover – (continuing operations)	2	20,380,745	15,937,851
Cost of sales		(16,820,135)	(13,356,948)
Gross profit		3,560,610	2,580,903
Administrative expenses		(1,646,298)	(1,454,127)
Operating profit	3	1,914,312	1,126,776
Rent receivable		16,084	10,022
Interest receivable and similar income	4	103,465	7,809
Interest payable and similar charges	4	(18,481)	(77,376)
Loss on sale of listed investments		-	(504)
Profit on ordinary activities before taxation		2,015,380	1,066,727
Tax on profit on ordinary activities	7	(625,523)	(327,570)
Profit for the financial year	16	1,389,857	739,157

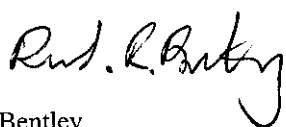
There were no recognised gains or losses other than those included in the profit and loss account.

JN Bentley Limited

Balance sheet as at 31 December 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	8		1,885,221		1,708,829
Current assets					
Stocks and work in progress	9	50,139		448,268	
Debtors	10	2,601,510		3,732,709	
Investments	11	686,131		205,559	
Cash at bank and in hand		2,194,850		559,130	
		5,532,630		4,945,666	
Creditors: amounts falling due within one year	12	(3,553,596)		(4,124,111)	
Net current assets			1,979,034		821,555
Total assets less current liabilities			3,864,255		2,530,384
Creditors : amounts falling due after more than one year	13		(9,701)		(47,687)
Provisions for liabilities and charges	14		(44,000)		(62,000)
Net assets			3,810,554		2,420,697
Capital and reserves					
Called up share capital	15		8,700		8,700
Share premium account			4,500		4,500
Revaluation reserve	16		236,857		241,915
Profit and loss account	16		3,560,497		2,165,582
Equity shareholders' funds	16		3,810,554		2,420,697

The financial statements on pages 4 to 16 were approved by the board of directors on 29 March 2000 and were signed on its behalf by:



P R Bentley
Director

JN Bentley Limited

Cash flow statement for the year ended 31 December 1999

	Note	1999 £	1999 £	1998 £	1998 £
Net cash inflow from operating activities	17a		2,712,791		2,552,535
Returns on investment and servicing of finance					
Rent received		16,084		10,022	
Interest and dividends received		103,465		7,809	
Interest paid		(18,481)		(77,376)	
Net cash flow from returns on investment and servicing of finance			101,068		(59,545)
Taxation			(346,955)		(169,355)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(940,678)		(438,371)	
Sale of tangible fixed assets		361,821		128,936	
			(578,857)		(309,435)
Net cash flow before use of liquid resources and financing			1,888,047		2,014,200
Management of liquid resources					
Sale of listed investments			-		2,734
Financing					
Capital element of hire purchase payments			(252,327)		(168,159)
Increase in net cash	17b		1,635,720		1,848,775

JN Bentley Limited

Notes to the financial statements for the year ended 31 December 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting, as modified by a revaluation of freehold land and buildings, and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced sales to customers and the sales value of work done on incomplete contracts, net of value added tax.

Long term contracts

The sales value of work done not invoiced on incomplete contracts is included in debtors as amounts recoverable on contracts. Receipts in excess of recorded turnover are included in creditors as payments received on account.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated realisable value.

Depreciation

Depreciation is provided at the following rates in order to write off the assets over their expected lives:

Freehold land and buildings	2% on a straight line basis
Plant and machinery	20-25% on written down values
Office fittings and furniture	10% on written down values
Motor vehicles	25% on a straight line basis
Other assets	25% on a straight line basis

Pensions

The costs of providing pensions for directors and employees are charged to the profit and loss account in the period in which they are incurred

Deferred taxation

Taxation deferred by the effect of timing differences is accounted for only to the extent that it is probable that a liability will crystallise in the foreseeable future.

2 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activities of the company and have all arisen in the United Kingdom. In the opinion of the Directors these activities constitute a single class of business

JN Bentley Limited

3 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- owned assets	383,035	239,349
- under hire purchase agreements	40,127	97,415
Hire of machinery and equipment	1,852,454	1,399,186
Other operating lease rentals	8,400	8,400
Staff costs (Note 4)	3,844,393	3,168,383
Auditors fees	11,800	10,700

Fees paid to PricewaterhouseCoopers for non-audit services were £6,070 (1998: £4,920)

4 Employee costs (excluding directors)

	1999	1998
	£	£
Wages and salaries	3,462,735	2,851,910
Social security costs	329,594	274,722
Other pension costs	52,064	41,751
Staff costs	3,844,393	3,168,383

The average monthly number of persons (excluding the five directors) employed by the company during the year was:

By activity	1999	1998
Office and management	49	40
Construction	110	105
	159	145

JN Bentley Limited

5 Directors' emoluments

	1999 £	1998 £
Aggregate emoluments	472,077	450,457
Company contributions paid to money purchase pension scheme	60,000	63,900
Highest paid director	1999 £	1998 £
Total amount of emoluments	156,296	283,098
Company contributions to money purchase pension scheme	60,000	63,900

Retirement benefits are accruing to the highest paid director under a money purchase pension scheme and to four (1998: two) other directors under the Company's defined benefit scheme.

6 Interest and similar items

	1999 £	1998 £
Interest payable and bank loans and overdrafts	3,003	58,425
Interest payable hire purchase	15,478	18,951
Total interest and similar charges payable	18,481	77,376
Interest receivable	103,465	7,809
Net interest receivable/(payable) and similar items	84,984	(69,567)

7 Tax on profit on ordinary activities

	1999 £	1998 £
Taxation on the profit for the year		
UK corporation tax at 30.25% (1998: 30.25%)	622,000	308,000
Deferred tax	1,647	21,000
	623,647	329,000
Prior year adjustment for deferred taxation	(19,647)	10,000
Prior year adjustment for corporation tax	21,523	(11,430)
	625,523	327,570

8 Tangible assets

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 1999	535,000	2,099,334	76,390	2,710,724
Additions	-	893,264	47,414	940,678
Disposals	-	(654,823)	(6,808)	(661,631)
At 31 December 1999	535,000	2,337,775	116,996	2,989,771
Being:				
At cost	-	2,337,775	116,996	2,454,771
At 1992 valuation	535,000	-	-	535,000
Accumulated depreciation				
At 1 January 1999	74,900	893,726	33,269	1,001,895
Charge for the year	10,700	399,011	13,451	423,162
Disposals	-	(314,297)	(6,210)	(320,507)
At 31 December 1999	85,600	978,440	40,510	1,104,550
Net book amount				
At 31 December 1999	449,400	1,359,335	76,486	1,885,221
At 31 December 1998	460,100	1,205,608	43,121	1,708,829

The book amount of tangible fixed assets includes £159,163 (1998: £410,401) in respect of assets held under hire purchase agreements.

The comparable historical cost amounts applicable to the freehold land and buildings are as follows:

	1999	1998
	£	£
Cost	282,119	282,119
Accumulated depreciation	(69,576)	(63,934)
	212,543	218,185

JN Bentley Limited

9 Stocks and work in progress

	1999	1998
	£	£
Raw materials and consumables	39,109	53,805
Work in progress	11,030	394,463
	50,139	448,268

10 Debtors

	1999	1998
	£	£
Trade debtors	1,136,509	2,983,778
Amounts recoverable on contracts	1,427,996	617,327
Other debtors	1,036	85,629
Prepayments and accrued income	35,969	45,975
	2,601,510	3,732,709

11 Investments

	1999	1998
	£	£
Land held for development	684,020	203,448
Unlisted investments	2,111	2,111
	686,131	205,559

JN Bentley Limited

12 Creditors – Amounts falling due within one year

	1999 £	1998 £
Payments received on account	116,133	784,423
Trade creditors	2,003,853	1,905,858
Corporation tax	605,783	309,215
Taxation and social security	318,068	339,690
Other creditors	91,006	20,955
Accruals and deferred income	380,766	511,642
Hire purchase creditors	37,987	252,328
	3,553,596	4,124,111

Bank borrowings are secured by a debenture on the Company's freehold premises.

13 Creditors – Amounts falling due after more than one year

	1999 £	1998 £
Hire purchase creditors	9,701	47,687

14 Provisions for liabilities and charges

	1999 £	1998 £
Deferred taxation provided in the accounts comprises		
Accelerated capital allowances	44,000	62,000
Short term timing differences	-	-
Deferred tax provision	44,000	62,000

JN Bentley Limited

15 Called up share capital

	1999	1998
	£	£
Authorised		
Ordinary shares of £1 each	7,800	7,800
"A" non-voting shares of £1 each	2,200	2,200
	10,000	10,000
Allotted and fully paid		
Ordinary shares of £1 each	7,800	7,800
"A" non-voting shares of £1 each	900	900
	8,700	8,700

The "A" non-voting shares of £1 each have no voting rights. They have identical dividend rights and rights on winding up to the ordinary shares of £1 each.

16 Reconciliation of movements in shareholders' funds

	Share capital	Share premium account	Revaluation reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 1999	8,700	4,500	241,915	2,165,582	2,420,697
Transfer	-	-	(5,058)	5,058	-
Retained profit for the financial year	-	-	-	1,389,857	1,389,857
At 31 December 1999	8,700	4,500	236,857	3,560,497	3,810,554

The shareholders' funds are wholly attributable to equity interests

17 Notes to the Cash Flow Statement

(a) Reconciliation of operating profit to net cash flow from operating activities

	1999	1998
	£	£
Continuing operations		
Operating profit	1,914,312	1,126,776
Depreciation	423,162	336,764
Profit on sale of fixed assets	(20,697)	(26,848)
Decrease in stocks and work in progress	398,129	165,944
Decrease/(Increase) in debtors	1,131,199	(126,321)
Decrease/(Increase) in creditors	(652,742)	940,098
(Increase)/Decrease in land held for development	(480,572)	136,122
Net cash flow from continuing operations	2,712,791	2,552,535

(b) Analysis of changes in net funds

	At 1 st January 1999	Cash flow	At 31 st December 1999
	£	£	£
Cash at bank and in hand	559,130	1,635,720	2,194,850
Hire purchase creditors	(300,015)	252,327	(47,688)
Total net funds	259,115	1,888,047	2,147,162

(c) Reconciliation of net cash flow to movement in net funds

	1999
	£
Increase in cash in the year	1,635,720
Cash outflow in respect of hire purchase repayments	252,327
Change in net funds resulting from cash flows	1,888,047
Net funds at 1 January 1999	259,115
Net funds at 31 December 1999	2,147,162

18 Commitments and guarantees

Future capital expenditure

	1999	1998
	£	£
Contracts placed	-	130,763

Operating leases

	1999	1998
	£	£
Annual commitment in respect of equipment operating leases, expiring within two to five years	8,400	8,400

Guarantees

The company has indemnified its bankers in respect of performance bonds/guarantees issued in the normal course of its contracting business

Pensions

The company operates a defined benefit pension and life assurance scheme for executive and administrative members of staff through a separate trustee administered fund, the assets of which are an insurance policy providing with profits deferred annuities

The pension costs relating to the scheme are assessed in accordance with the advice of independent qualified actuaries using the projected unit method. The latest actuarial review of the scheme considered the position as at 15 July 1996. The principal actuarial assumptions were that the yield on future contributions, net of expenses, will be 8% per annum, and retirement pensions will be provided by purchasing immediate annuities on rates calculated on the basis of 8% per annum interest, and the rate of pensionable salary increases will be 6½% per annum. At 15 July 1996 the actuarial value of the scheme's assets was £559,000, which was sufficient to cover 169% of the accrued benefits based on expected final salary levels. The current funding rate allows for the surplus to be amortised over the average service lives of the members, which is 20 years.

The Company also operates a money purchase scheme for the benefit of Mr JN Bentley, the costs of which are written off as incurred.

JN Bentley Limited

19 Other related party disclosures

Mr JN Bentley, a Director, has the controlling interest in the company.

As at 31 December 1998, £51,124 remained outstanding in respect of an interest-free bridging loan made to Mr PR Bentley and Mr DM Bentley, sons of Mr JN Bentley. This loan was repaid on 28 June 1999.