

REGISTRAR

BEDWELL PARK LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR
ENDED 31ST MARCH 1999



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BEDWELL PARK LIMITED

COMPANY INFORMATION

Directors

Mr D Peters
Mrs S Peters

Secretary

Mrs S Peters

Company number

2828383

Registered office

Bedwell Avenue
Essendon
Hatfield
Herts
AL9 6AA

Auditors

Myers Clark
Woodford House
Woodford Road
Watford
Herts.
WD1 1DL

BEDWELL PARK LIMITED

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BEDWELL PARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

The directors present their report and the audited accounts for the company for the year ended 31st March 1999.

Principal activities and review of business

The company's principal activity continued to be that of quarrying

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors predict an upturn in the trading performance during the current year

The directors do not recommend a dividend .

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

| Name of director | Share type | At 31st March 1999 | At 1st April 1998 |
|------------------|------------|--------------------|-------------------|
| Mr D Peters | Ordinary | - | - |
| Mrs S Peters | Ordinary | - | - |

In addition, at 31st March 1999 and 1998, D.Peters held 99 £1 ordinary shares and S.Peters held 1 £1 ordinary share in the holding company, Holwell Court Development Company Limited.

Year 2000

Many computer and digital storage systems express dates using only the last two digits of the year. These systems require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. There is, therefore, an exposure to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

BEDWELL PARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts 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.

By order of the Board



Mrs S Peters, Secretary
15th March 2000

Bedwell Avenue
Essendon
Hatfield
Herts
AL9 6AA

AUDITORS' REPORT TO THE SHAREHOLDERS OF BEDWELL PARK LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Myers Clark
Chartered Accountants and Registered Auditors
Woodford House
Woodford Road
Watford
Herts.
WD1 1DL
Date: 15th March 2000

BEDWELL PARK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1999

| | Notes | 1999 £ | 1998 £ |
|---|-------|-----------------|----------------|
| Turnover | 2 | 3,448,329 | 2,164,648 |
| Cost of sales | | (3,329,397) | (1,863,733) |
| Gross profit | | 118,932 | 300,915 |
| Administrative expenses | | (140,126) | (101,661) |
| | | (21,194) | 199,254 |
| Other operating income | | 7,270 | - |
| Operating loss/profit | 3 | (13,924) | 199,254 |
| Interest receivable | 4 | 2 | - |
| Interest payable and similar charges | 5 | (57,964) | (37,336) |
| Loss/Profit on ordinary activities before taxation | | (71,886) | 161,918 |
| Tax on loss/profit on ordinary activities | 7 | (16,217) | (56,914) |
| Loss/Profit for the financial year | 17 | (88,103) | 105,004 |
| Retained profit brought forward | | 677,915 | 572,911 |
| Retained profit carried forward | | 589,812 | 677,915 |

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

BEDWELL PARK LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1999

| | Notes | £ | 1999 £ | £ | 1998 £ |
|--|-------|-------------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 987,742 | | 739,921 |
| Current assets | | | | | |
| Stocks | 9 | 653,434 | | 732,355 | |
| Debtors | 10 | 786,011 | | 749,236 | |
| Cash at bank and in hand | | 239 | | 1,108 | |
| | | 1,439,684 | | 1,482,699 | |
| Creditors: amounts falling due within one year | 11 | (1,141,036) | | (883,028) | |
| Net current assets | | | 298,648 | | 599,671 |
| Total assets less current liabilities | | | 1,286,390 | | 1,339,592 |
| Creditors: amounts falling due after more than one year | 12 | | (48,914) | | (98,222) |
| Provisions for liabilities and charges | | | | | |
| Deferred taxation | 14 | | (30,809) | | - |
| Other provisions | 15 | | (383,400) | | (330,000) |
| | | | 823,267 | | 911,370 |
| Capital and reserves | | | | | |
| Share capital | 16 | | 100 | | 100 |
| Share premium account | 17 | | 233,355 | | 233,355 |
| Profit and loss account | 17 | | 589,812 | | 677,915 |
| Shareholders' funds | 18 | | 823,267 | | 911,370 |

These accounts were approved by the board on 15th March 2000 and signed on its behalf by:

Mr D Peters
Director



BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by reducing balance method over their expected useful lives. The rates and periods generally applicable are:

| | |
|-------------------------|----------------------|
| Plant and machinery | 20% reducing balance |
| Motor vehicles | 20% reducing balance |
| Furniture and equipment | 20% reducing balance |

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

3 Operating loss

The operating loss is stated after charging or crediting:

| | 1999 | 1998 |
|--|----------|----------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| -owned assets | 152,672 | 126,924 |
| Profit on disposal of fixed assets | (30,751) | (43,178) |
| Hire of equipment | 60,067 | 20,477 |
| Auditors' remuneration | 7,000 | 8,500 |
| Rental income | (7,270) | - |

4 Interest receivable

| | 1999 | 1998 |
|--------------------------|------|------|
| | £ | £ |
| Bank interest receivable | 2 | - |

5 Interest payable and similar charges

| | 1999 | 1998 |
|---|--------|--------|
| | £ | £ |
| Interest payable on bank loans and overdrafts | 31,221 | 17,342 |
| Finance leases and hire purchase contracts | 26,743 | 19,994 |
| | 57,964 | 37,336 |

6 Directors and employees

Staff costs, including directors' remuneration, were as follows:

| | 1999 | 1998 |
|-----------------------|---------|---------|
| | £ | £ |
| Wages and salaries | 156,205 | 129,127 |
| Social security costs | 14,991 | 12,402 |
| | 171,196 | 141,529 |

Directors' emoluments

| | 1999 | 1998 |
|----------------------|--------|--------|
| | £ | £ |
| Aggregate emoluments | 27,300 | 21,200 |

BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

7 Taxation

| | 1999 £ | 1998 £ |
|--|-----------|-----------|
| Based on the loss/profit for the year: | | |
| UK corporation tax at 21% (1998 21%) | - | 14,592 |
| Deferred tax charge | 30,809 | - |
| | 30,809 | 14,592 |
| Prior periods | | |
| UK corporation tax | (14,592) | 42,322 |
| | 16,217 | 56,914 |

8 Tangible fixed assets

| | Freehold land and buildings £ | Plant and machinery £ | Motor vehicles £ | Furniture and equipment £ | Total £ |
|---------------------|--|-----------------------------|------------------------|------------------------------------|------------|
| Cost | | | | | |
| At 1st April 1998 | 232,224 | 773,382 | - | 4,791 | 1,010,397 |
| Additions | - | 455,873 | 50,000 | 365 | 506,238 |
| Disposals | - | (191,781) | - | - | (191,781) |
| At 31st March 1999 | 232,224 | 1,037,474 | 50,000 | 5,156 | 1,324,854 |
| Depreciation | | | | | |
| At 1st April 1998 | - | 268,759 | - | 1,717 | 270,476 |
| Charge for the year | - | 141,984 | 10,000 | 688 | 152,672 |
| Disposals | - | (86,036) | - | - | (86,036) |
| At 31st March 1999 | - | 324,707 | 10,000 | 2,405 | 337,112 |
| Net book value | | | | | |
| At 31st March 1999 | 232,224 | 712,767 | 40,000 | 2,751 | 987,742 |
| At 31st March 1998 | 232,224 | 504,623 | - | 3,074 | 739,921 |

Assets held under finance leases originally cost £357,000 (1998: £356,700) and have a net book value of £228,246 (1998: £243,008).

9 Stocks

| | 1999 £ | 1998 £ |
|----------------|-----------|-----------|
| Raw materials | 10,000 | 10,000 |
| Finished goods | 643,434 | 722,355 |
| | 653,434 | 732,355 |

BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

| 10 | Debtors | 1999 £ | 1998 £ |
|----|--|------------------|----------------|
| | Trade debtors | 315,309 | 395,212 |
| | Amounts owed by associated undertakings | 387,364 | 341,234 |
| | Other debtors | 70,565 | 1,526 |
| | Prepayments and accrued income | 12,773 | 11,264 |
| | | <u>786,011</u> | <u>749,236</u> |
| 11 | Creditors: amounts falling due within one year | 1999 £ | 1998 £ |
| | Bank loans and overdrafts | 434,161 | 195,195 |
| | Trade creditors | 556,305 | 331,692 |
| | Other creditors | 969 | 2,905 |
| | Accruals and deferred income | 21,255 | 75,107 |
| | Corporation tax | - | 148,107 |
| | Other taxes and social security | 11,929 | 36,526 |
| | Obligations under hire purchase and finance lease (Note 13) | 104,817 | 93,206 |
| | Directors' loans (Note 20) | 11,600 | 290 |
| | | <u>1,141,036</u> | <u>883,028</u> |
| 12 | Creditors: amounts falling due after more than one year | 1999 £ | 1998 £ |
| | Obligations under hire purchase and finance lease (Note 13) | <u>48,914</u> | <u>98,222</u> |
| 13 | Obligations under hire purchase and finance leases | 1999 £ | 1998 £ |
| | Obligations under hire purchase contracts and finance leases are analysed between amounts payable: | | |
| | In the next year | 104,817 | 93,206 |
| | In the second to fifth years inclusive | <u>48,914</u> | <u>98,222</u> |
| | | <u>153,731</u> | <u>191,428</u> |

BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

14 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

| | 1999 £ | 1998 £ |
|----------------------|-----------|-----------|
| At 1st April 1998 | - | - |
| Movement in the year | 30,809 | - |
| At 31st March 1999 | 30,809 | - |

Amount provided

| | 1999 £ | 1998 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | 296,769 | - |
| Less: | | |
| Trading losses | 142,725 | - |
| | 154,044 | - |

15 Other provisions

| | Site restoration £ |
|--------------------|--------------------------|
| At 1st April 1998 | 330,000 |
| Additions | 53,400 |
| At 31st March 1999 | 383,400 |

The provision is for the expected future costs of restoring the site in its present condition to its previous condition prior to the quarrying and landfill activities that have taken place to date.

16 Share capital

| | 1999 £ | 1998 £ |
|--|-----------|-----------|
| Authorised Equity shares | | |
| 100 Ordinary shares of £1.00 each | 100 | 100 |
| Allotted Equity shares | | |
| 100 Allotted, called up and fully paid ordinary shares of £1.00 each | 100 | 100 |
| | 100 | 100 |

BEDWELL PARK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1999

17 Reserves

| | Share premium account £ | Profit and loss account £ |
|--------------------------|----------------------------------|------------------------------------|
| At 1st April 1998 | 233,355 | 677,915 |
| Loss/Profit for the year | - | (88,103) |
| At 31st March 1999 | <u>233,355</u> | <u>589,812</u> |

18 Reconciliation of movement in shareholders' funds

| | 1999 £ | 1998 £ |
|------------------------------------|----------------|----------------|
| Loss/Profit for the financial year | (88,103) | 105,004 |
| Opening shareholders' funds | <u>911,370</u> | <u>806,366</u> |
| Closing shareholders' funds | <u>823,267</u> | <u>911,370</u> |

19 Contingent liabilities

The company has given a guarantee in respect of a hire purchase agreement taken out by Peters Brothers Limited. The amount owed by Peters Brothers at 31st March 1999 in respect of this agreement was £185,698.

20 Transactions with directors

The directors have given personal guarantees up to a maximum of £400,000 to the bank for the bank overdraft.

21 Related parties

During the year the company made sales of £67,611 to Peters Brothers Limited, a company in which director D.Peters has a 50% shareholding. The company also made purchases of £238,798 from Peters Brothers Limited. Included in trade debtors at 31st March 1999 is an amount of £58,102 due from Peters Brothers Limited. Included in trade creditors is an amount of £137,750 due to Peters Brothers Limited.

During the year the company made sales of £50,133 to MDP Haulage Limited, a company in which M.Peters, son of D.Peters, is a director. The company also purchased goods amounting to £23,064 from MDP Haulage Limited. Included in trade debtors at 31st March 1999 is an amount of £44,774 due from MDP Haulage Limited. Included in trade creditors at 31st March 1999 is an amount of £13,387 due to MDP Haulage Limited.

22 Holding Company

The company's holding company is Holwell Court Development Company Limited, a company registered in Great Britain.