

F J BESWICK (NORTHAMPTON) LIMITED

FINANCIAL STATEMENTS

30 APRIL 2000

Registered number: 627599

COX & CO

CHARTERED CERTIFIED ACCOUNTANTS

Dudley



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F J BESWICK (NORTHAMPTON) LIMITED

FINANCIAL STATEMENTS

for the year ended 30 April 2000

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## F J BESWICK (NORTHAMPTON) LIMITED

## COMPANY INFORMATION

30 April 2000

NUMBER	627599
DIRECTORS	R F Stanyon P J Beswick Mrs M C Beswick R J Keeling
SECRETARY	Mrs J P Stanyon
REGISTERED OFFICE	10 Dudley Road Oldbury Warley West Midlands B69 3DN
BANKERS	Barclays Bank Plc 313 High Street West Bromwich West Midlands B70 8LP
SOLICITORS	Vernon & Shakespeare 15/17 Church Street Oldbury Warley West Midlands B69 3AA
AUDITORS	Cox & Co. Chartered Certified Accountants King Charles House Castle Hill Dudley West Midlands DY1 4PS

## F J BESWICK (NORTHAMPTON) LIMITED

## DIRECTORS' REPORT

30 April 2000

The directors present their report and the audited financial statements for the year ended 30 April 2000.

**Principal activity**

The principal activity of the company is that of wholesale paper merchants.

**Business review**

The directors are satisfied with the result for the year, and are of the opinion that similar results will be achieved in the forthcoming trading year.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5. and related notes. The position of the company at 30 April 2000 is shown in the Balance Sheet on page 7 and related notes. The directors do not recommend a payment of an ordinary dividend.

**Fixed assets**

The freehold property was revalued by Messrs Lambert Smith Hampton, consultant surveyors, at £775,000. This resulted in a surplus of £129322 over the balance sheet value and this surplus has been brought into the financial statements.

**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

	30 April 2000 Ordinary shares	1 May 1999 Ordinary shares
R F Stanyon	500	500
P J Beswick	498	498
Mrs M C Beswick	2	2
R J Keeling	-	-

In accordance with the Articles of Association, R F Stanyon retires by rotation at the forthcoming annual general meeting, and being eligible, offers himself for re-election.

continued .....

F J BESWICK (NORTHAMPTON) LIMITED

DIRECTORS' REPORT  
(continued)

30 April 2000

Auditors

A resolution to re-appoint Cox & Co as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the board



Mrs J P Stanyon  
Secretary

10 Dudley Road  
Oldbury  
Warley  
West Midlands B69 3DN

2 November 2000

F J BESWICK (NORTHAMPTON) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

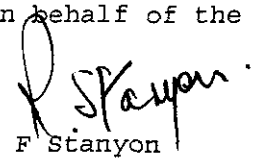
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

2 November 2000

On behalf of the board

  
R F Stanyon  
Director

## AUDITORS' REPORT TO THE MEMBERS OF

F J BESWICK (NORTHAMPTON) LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

**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.

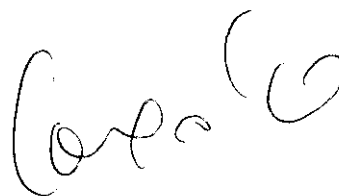
**Basis of opinion**

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 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Dudley  
2 November 2000

Cox & Co.  
Registered Auditors  
Chartered Certified Accountants

## F J BESWICK (NORTHAMPTON) LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 30 April 2000

	Note	2000 £	1999 £
Turnover	2	13,025,607	13,146,879
Cost of sales		(10,073,919)	(10,417,827)
Gross profit		2,951,688	2,729,052
Net operating expenses			
Administrative expenses		(2,753,645)	(2,519,092)
Operating profit	3	198,043	209,960
Investment income	5	2,180	6,079
Interest payable	6	(64,834)	(70,054)
Profit on ordinary activities before taxation		135,389	145,985
Taxation	7	(39,734)	(46,912)
Profit on ordinary activities after taxation		95,655	99,073
retained for the year	16		

Movements in reserves are shown in note 16.

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

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



## F J BESWICK (NORTHAMPTON) LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 April 2000

	2000 £	1999 £
Profit for the financial year	95,652	99,073
Unrealised surplus on revaluation of fixed assets	124,149	-
Total recognized gains	<u>219,801</u>	<u>99,073</u>

## NOTE OF HISTORICAL COST PROFIT AND LOSSES

	2000 £	1999 £
Reported profit on ordinary activities before taxation	135,389	145,985
Excess of actual depreciation charge over historical cost depreciation	5,173	-
Historical cost profit on ordinary activities before taxation	<u>140,562</u>	<u>145,985</u>
Historical cost retained profit	<u>100,828</u>	<u>99,073</u>

## F J BESWICK (NORTHAMPTON) LIMITED

## BALANCE SHEET

at 30 April 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	8	1,106,847	941,923
<b>Current assets</b>			
Stocks	9	1,537,843	1,285,245
Debtors	10	3,152,881	3,138,943
Cash at bank and in hand		89,698	47,335
		<u>4,780,422</u>	<u>4,471,523</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(3,288,534)</u>	<u>(3,014,144)</u>
<b>Net current assets</b>		<u>1,491,888</u>	<u>1,457,379</u>
<b>Total assets less current liabilities</b>		<u>2,598,735</u>	<u>2,399,302</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(119,381)</u>	<u>(144,925)</u>
		<u><u>2,479,354</u></u>	<u><u>2,254,377</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Revaluation reserve	17	124,149	-
Profit and loss account	16	2,354,205	2,253,377
<b>Total shareholders' funds</b>	14	<u><u>2,479,354</u></u>	<u><u>2,254,377</u></u>

The financial statements on pages 5 to 18 were approved by the board of directors on 2 November 2000 and signed on its behalf by:

*R. Stanyon*  
R F Stanyon  
Director

## F J BESWICK (NORTHAMPTON) LIMITED

## CASH FLOW STATEMENT

for the year ended 30 April 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	20	189,764	82,971
Returns on investments and servicing of finance			
Interest received		2,180	6,079
Interest paid		(64,605)	(69,739)
Interest element of finance lease rental payments		(229)	(315)
		(62,654)	(63,975)
Taxation			
Corporation tax paid		(47,584)	(42,812)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(192,311)	(96,650)
Sale of tangible fixed assets		31,450	38,646
		(160,861)	(58,004)
		(81,335)	(81,820)
Financing			
Debt due within a year:			
Bank loan		(2,747)	(25,000)
Debt due beyond a year:			
Bank loan advances		(25,000)	-
Capital element of finance lease rentals		(458)	(371)
		(28,205)	(25,371)
Increase/(Decrease) in cash	21	(109,540)	(107,191)

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

**Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

**Tangible fixed assets**

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	25 years straight line
Motor vehicles	25% p.a reducing balance
Plant, fixtures and fittings	20% p.a reducing balance
Computer equipment	4 years straight line

**Leases and hire purchase contracts**

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 allocated 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 allowance for obsolete and slow moving items.

**Pensions****Defined benefit scheme**

Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working life with the company. The regular cost is attributed to the individual years using the projected unit method. Variations in cost which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 1 Accounting policies (continued)

## Deferred taxation

Deferred taxation is provided using 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.

## 2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

## 3 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Staff costs (note 4)	1,815,615	1,708,466
Auditors' remuneration	10,000	8,535
Operating leases		
Vehicle contract hire	101,852	85,861
Hire of equipment	25,242	24,322
Loss on sale of assets	13,052	6,664
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 8)		
Owned assets	111,991	89,644
Leased assets	216	271
	<hr/>	<hr/>
	112,207	89,915
	<hr/>	<hr/>

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 4 Staff Costs

	2000	1999
Staff costs including directors' emoluments	£	£
Wages and salaries	1,482,358	1,410,569
Social security costs	133,250	133,124
Pension costs	200,007	164,773
	<u>1,815,615</u>	<u>1,708,466</u>

Average monthly number employed including executive directors:	Number	Number
Warehouse and drivers	27	28
Office and management	17	18
Sales and representatives	19	19
	<u>63</u>	<u>65</u>

Directors	£	£
Emoluments	425,089	421,767
Company contributions in respect of directors pensions	107,285	92,879
	<u>532,374</u>	<u>514,646</u>

During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	3	3
Defined benefit pension schemes	1	1

No director received shares under long-term incentive schemes and there are no share options to exercise.

Highest paid director	£	£
Emoluments	239,089	235,767
Company contributions in respect of directors pensions	50,681	67,879

Company pension schemes are detailed in note 19.

## 5 Investment income

	2000	1999
	£	£
Interest receivable	<u>2,180</u>	<u>6,079</u>

## 6 Interest payable

	2000	1999
	£	£
Bank interest	64,605	69,739
Hire purchase interest	229	315
	<u>64,834</u>	<u>70,054</u>

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 7 Taxation

	2000 £	1999 £
Corporation tax on profit on ordinary activities	39,750	47,600
Over provision in earlier years	(16)	(688)
	<u>39,734</u>	<u>46,912</u>

## 8 Tangible fixed assets

Cost	Motor Vehicles £	Computer Equipment £	Plant, Equipment, Fixtures & Fittings £	Freehold Land and Buildings £	Total £
1 May 1999	457,401	-	376,627	645,678	1,479,706
Additions	119,780	49,250	23,281	-	192,311
Disposals	(94,719)	-	(535)	-	(95,254)
On revaluation	-	-	-	129,322	129,322
30 April 2000	<u>482,462</u>	<u>49,250</u>	<u>399,373</u>	<u>775,000</u>	<u>1,706,085</u>
Depreciation					
1 May 1999	260,025	-	277,758	-	537,783
Charge for year	67,927	12,312	24,218	7,750	112,207
Disposals	(50,436)	-	(316)	-	(50,752)
30 April 2000	<u>277,516</u>	<u>12,312</u>	<u>301,660</u>	<u>7,750</u>	<u>599,238</u>
Net book amount					
30 April 2000	<u>204,946</u>	<u>36,938</u>	<u>97,713</u>	<u>767,250</u>	<u>1,106,847</u>
1 May 1999	<u>197,376</u>	<u>-</u>	<u>98,869</u>	<u>645,678</u>	<u>941,923</u>

The net book amount of fixed assets includes £866 (1999 £1,082) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

Freehold land and buildings were revalued at an open market value on the basis of existing use at £775,000 by Messrs Lambert Smith Hampton, Consultant Surveyors. The surplus over net book value of £129,322 has been transferred to the revaluation reserve.

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

9 Stocks	2000 £	1999 £
General stock	1,537,843	1,285,245
	<u>1,537,843</u>	<u>1,285,245</u>
10 Debtors	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	3,061,299	3,047,492
Amounts owed by related undertakings (note 22)	33,998	31,886
Other debtors	12,084	11,773
Prepayments and accrued income	45,500	47,792
	<u>3,152,881</u>	<u>3,138,943</u>
11 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	922,211	773,055
Trade creditors	1,396,837	1,406,469
Amounts owed to related undertakings (note 22)	258,635	213,509
Corporation tax	39,750	47,600
Other taxation and social security	294,630	269,569
Other creditors	267,976	231,393
Accruals and deferred income	107,952	72,092
Obligations under finance leases and hire purchase contracts - note 12	543	457
	<u>3,288,534</u>	<u>3,014,144</u>



## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

12 Creditors: amounts falling due  
after more than one year

	2000 £	1999 £
<b>Other liabilities</b>		
Bank loans	118,750	143,750
Obligations under finance leases and hire purchase contracts	631	1,175
	<u>119,381</u>	<u>144,925</u>

**Maturity of debt**

In one year or less, or on demand - see note 11	922,211	773,055
Between one and two years	25,000	25,000
Between two and five years	75,000	75,000
In five years or more	18,750	43,750
	<u>1,040,961</u>	<u>916,805</u>

**Amounts falling due  
after more than five years:**

Bank loans	<u>18,750</u>	<u>43,750</u>
------------	---------------	---------------

The bank loans and overdraft are secured by a floating charge on the assets of the company and by a charge on the freehold property dated 18 April 1990.

**Obligations under finance leases  
and hire purchase contracts**

These are repayable over varying periods  
by monthly instalments as follows:

In the next year - see note 11	543	457
In the second to fifth years	631	1,175
	<u>1,174</u>	<u>1,632</u>

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 13 Deferred taxation

There is no provision for deferred taxation in these accounts.  
The amount of unprovided deferred taxation is £3,077 (1999 - £4,232).

## 14 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year representing a Net addition to shareholders' funds	95,655	99,073
Revaluation of land and buildings	129,322	-
Opening shareholders' funds	2,254,377	2,155,304
Closing shareholders' funds	2,479,354	2,254,377

## 15 Called up share capital

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

## 16 Profit and loss account

	2000 £
1 May 1999	2,253,377
Retained profit for the year	95,655
Transfer of amount equivalent to additional depreciation on revalued assets	5,173
30 April 2000	2,354,205

## 17 Revaluation reserve

	2000 £
Surplus on revaluation of land and buildings	129,322
Transfer to profit and loss account	(5,173)
30 April 2000	124,149

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 18 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases as at 30 April 2000 are set out below:

	2000	2000	1999	1999
	Land and	Plant &	Land and	Plant &
	Buildings	Other	Buildings	Other
	£	£	£	£
Expiring				
Within two to five years	35,575	125,000	35,575	105,644
After five years	40,200	-	40,200	14,570
	<u>75,775</u>	<u>125,000</u>	<u>75,775</u>	<u>120,214</u>

## 19 Pension Schemes

## Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £56,604 (1999 £55,000).

## Defined benefit pension scheme

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 July 1998. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would exceed salary increases by an average 1% per annum and that present and future pensions would increase at the rate of 3% per annum. The pension charge for the year was £143,403 (1999 £109,773).

The actuarial valuation showed that the actuarial value of the schemes assets represented 68% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contributions of the company and employees are currently at the following percentage of earnings:

	Directors	Employees
Contribution rate of employer	16.5%	21.0%
Contribution rate of members	-	5.5%

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

## 20 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	2000 £	1999 £
Operating profit	198,043	209,960
Depreciation charges	112,207	89,915
Loss on sale of fixed assets	13,052	6,664
(Increase)/decrease in stocks	(252,598)	261,245
(Increase) in debtors	(13,938)	(144,014)
Increase/(Decrease) in creditors	132,998	(340,799)
Net cash inflow from operating activities	189,764	82,971

## 21 Notes to the cash flow statement (continued)

## Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	47,335	42,363	-	89,698
Bank overdrafts	(748,055)	(151,903)	500,000	(399,958)
		(109,540)		
Debt due within 1 year	(25,000)	2,747	(500,000)	(522,253)
Debt due after 1 year	(143,750)	25,000	-	(118,750)
Finance leases	(1,632)	458	-	(1,174)
		28,205		
Total	(871,102)	(81,335)	-	(952,437)

## Reconciliation of net cash flow to movement in net debt

	2000 £	1999 £
Increase/(decrease) in cash in the year	(109,540)	(107,191)
Cash inflow from increase in debt and lease financing	28,205	25,371
Change in net debt resulting from cash flows	(81,335)	(81,820)
Net debt at 1 May 1999	(871,102)	(789,282)
Net debt at 30 April 2000	(952,437)	(871,102)

## F J BESWICK (NORTHAMPTON) LIMITED

## NOTES ON FINANCIAL STATEMENTS

30 April 2000

**22 Related parties**

The directors are also directors of F J Beswick (Paper) Limited and F J Beswick (Cotswolds) Limited. The company traded with these companies during the year on an arms-length commercial basis. Sales to these companies amounted to £735,800 for the year (1999 - £423,048) and purchases from these companies £474,789 for the year (1999 - £425,112).

At the Balance Sheet date, the company was owed £33,998 by F J Beswick (Cotswolds) Limited and owed F J Beswick (Paper) Limited £258,635.