

Johnson Bros. Coal Factors Limited  
Directors' Report and Financial Statements  
for the year ended 30 April 1995



761527 (England and Wales)

# Johnson Bros. Coal Factors Limited

## Company Information

<b>Directors</b>	R A Johnson K Johnson M Johnson V H Johnson M L Johnson
<b>Secretary</b>	R A Johnson
<b>Company Number</b>	761527 (England and Wales)
<b>Registered Office</b>	Furze Bank 34 Hanover Street Swansea SA1 6BA
<b>Auditors</b>	Gerald Thomas & Co Furze Bank 34 Hanover Street Swansea SA1 6BA
<b>Business Address</b>	Abbey Site Neath Abbey Wharf Neath SA10 6BL
<b>Bankers</b>	Barclays Bank plc Pocketts Wharf Swansea SA1 3XL

Johnson Bros. Coal Factors Limited

Contents

	Page
Directors' Report	1 - 2
Auditors' Report to the Shareholders	3
Auditors' Report to the Directors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7 - 8
Notes to the Financial Statements	9 - 18

## **Johnson Bros. Coal Factors Limited**

### **Directors' Report for the year ended 30 April 1995**

The directors present their report and the financial statements for the year ended 30 April 1995.

#### **Principal Activities and Review of the Business**

The company's principal activities during the year were those of coal factors and coal processing operators. The directors consider the state of the company's affairs at the balance sheet date to be satisfactory.

The principal activities of the subsidiary companies are disclosed in note 10 to the financial statements. Quotecast Limited is currently operating its mine on a care and maintenance basis. The directors consider that the state of affairs of Johnson Brothers Coal Traders Limited, at the balance sheet date, to be satisfactory.

#### **Results and Dividends**

The results for the year are set out on page 5.

The directors have paid an interim dividend, amounting to £120,000, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £37,024 is transferred to reserves.

#### **Fixed Assets**

The significant changes in fixed assets during the year are explained in notes 9 and 10 to the financial statements.

#### **Future Developments**

The directors consider that sales will be maintained in the current year. In line with company policy the directors will continue to review operations in order to maintain and improve efficiency and profitability.

#### **Directors and their Interests**

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1995	1994
R A Johnson	Ordinary shares	125	125
K Johnson	Ordinary shares	125	125
M Johnson	Ordinary shares	125	125
V H Johnson	Ordinary shares	125	125
M L Johnson	Ordinary shares	-	-

#### **Political and Charitable Contributions**

During the year the company contributed £4,170 to charities .

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Gerald Thomas & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Johnson Bros. Coal Factors Limited

Directors' Report for the year ended 30 April 1995 (continued)

**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 then 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.

This report was approved by the Board on 7/9/95.....

.....  
R A Johnson  
Secretary

**Johnson Bros. Coal Factors Limited**

**Auditors' Report  
to the shareholders of Johnson Bros. Coal Factors 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 2 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 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 as at 30 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....  
Gerald Thomas & Co  
Chartered Accountants  
Registered Auditor

...7/9/95...

Furze Bank  
34 Hanover Street  
Swansea  
SA1 6BA

Johnson Bros. Coal Factors Limited

Report of the Auditors  
to the directors of Johnson Bros. Coal Factors Limited  
Pursuant to Section 248(3) of the Companies Act 1985


We have examined the accounts of the company and each of its subsidiaries for the year ended 30 April 1995.

**Basis of opinion**

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group accounts.

**Opinion**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

  
.....  
Gerald Thomas & Co  
Chartered Accountants  
Registered Auditor

...7/9/95...

Furze Bank  
34 Hanover Street  
Swansea  
SA1 6BA

**Johnson Bros. Coal Factors Limited**

**Profit and Loss Account  
for the year ended 30 April 1995**

	Notes	1995 £	1994 £
Turnover	2	6,138,439	6,024,980
Cost of sales		(5,012,470)	(5,110,368)
Gross profit		1,125,969	914,612
Administrative expenses		(771,924)	(641,394)
Operating profit	3	354,045	273,218
Profit on disposal of fixed assets		7,999	2,346
Profit on ordinary activities before interest		362,044	275,564
Other interest receivable and similar income	4	151	143
Amount written off investments	5	(42,499)	(42,500)
Interest payable and similar charges	6	(45,214)	(51,429)
Profit on ordinary activities before taxation		274,482	181,778
Tax on profit on ordinary activities	7	(117,458)	(86,850)
Profit on ordinary activities after taxation		157,024	94,928
Dividends	8	(120,000)	(128,000)
Retained profit/(loss) for the year	17	£ 37,024	£ (33,072)

There are no recognised gains and losses other than those passing through the profit and loss account. There were no acquisitions or discontinued operations during the year.



# Johnson Bros. Coal Factors Limited

## Balance Sheet as at 30 April 1995

	Notes	£	1995 £	£	1994 £
<b>Fixed Assets</b>					
Tangible assets	9		304,261		287,872
Investments	10		6,001		48,500
			<u>310,262</u>		<u>336,372</u>
<b>Current Assets</b>					
Stocks	11	873,499		828,424	
Debtors	12	620,265		766,419	
		<u>1,493,764</u>		<u>1,594,843</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,329,114)		(1,497,781)	
<b>Net Current Assets</b>			<u>164,650</u>		<u>97,062</u>
<b>Total Assets Less Current Liabilities</b>			<u>474,912</u>		<u>433,434</u>
<b>Provision for Liabilities and Charges</b>	14		(15,006)		(10,552)
			<u>£ 459,906</u>		<u>£ 422,882</u>
<b>Capital and Reserves</b>					
Called up share capital	16		500		500
Profit and loss account	17		459,406		422,382
<b>Shareholders' Funds</b>	18		<u>£ 459,906</u>		<u>£ 422,882</u>

The financial statements were approved by the Board on 7/9/95.....

.....  
Director  
M Johnson

.....  
Director  
V H Johnson

**Johnson Bros. Coal Factors Limited**

**Cash Flow Statement  
for the year ended 30 April 1995**

	1995	1994
	£	£
<b>Net cash inflow from operating activities</b>	<b>291,567</b>	<b>61,125</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	151	143
Interest paid	(45,214)	(51,429)
Dividends paid	(120,000)	(128,000)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(165,063)</b>	<b>(179,286)</b>
<b>Taxation</b>		
Corporation tax paid (including advance corporation tax)	(53,122)	(131,263)
<b>Tax paid</b>	<b>(53,122)</b>	<b>(131,263)</b>
<b>Investing activities</b>		
Payments to acquire tangible assets	(4,539)	(121,084)
Receipts from sales of tangible assets	8,000	2,350
<b>Net cash in/outflow from investing activities</b>	<b>3,461</b>	<b>(118,734)</b>
<b>Net cash in/outflow before financing</b>	<b>76,843</b>	<b>(368,158)</b>
<b>Financing</b>		
Capital element of hire purchase contracts	-	(7,808)
<b>Net cash outflow from financing</b>	<b>-</b>	<b>(7,808)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>£ 76,843</b>	<b>£(375,966)</b>

# Johnson Bros. Coal Factors Limited

## Notes to the Cash Flow Statement for the year ended 30 April 1995

1 Reconciliation of operating profit to net cash inflow from operating activities	1995 £	1994 £
Operating profit	354,045	273,218
Depreciation of tangible assets	63,149	84,207
Increase in stocks	(45,075)	(455,302)
Decrease in debtors	146,150	163,962
Decrease in creditors due within one year	(226,702)	(4,960)
<b>Net cash inflow from operating activities</b>	<b>£ 291,567</b>	<b>£ 61,125</b>

2 Analysis of changes in cash and cash equivalents during the year	1995 £	1994 £
Balance at 1 May 1994	(627,919)	(251,953)
Net cash in/outflow	76,843	(375,966)
<b>Balance at 30 April 1995</b>	<b>£(551,076)</b>	<b>£(627,919)</b>

3 Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1995 £	1994 £	Change in year £
Bank overdrafts	(551,076)	(627,919)	76,843
	<b>£(551,076)</b>	<b>£(627,919)</b>	<b>£ 76,843</b>

# **Johnson Bros. Coal Factors Limited**

## **Notes to the Financial Statements for the year ended 30 April 1995**

### **1. Accounting Policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services provided in the United Kingdom net of Value Added Tax.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	-	2% Straight line
Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	10% Straight line
Motor vehicles	-	25% Straight line

#### **1.4 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **1.5 Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

#### **1.6 Stock**

Stock is valued at the lower of cost and net realisable value. Cost comprises all direct expenditure.

#### **1.7 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Statement of Standard Accounting Practice No. 24.

# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

### 1.8 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.

### 1.9 Group Accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium sized group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3. Operating Profit

	1995 £	1994 £
Operating profit is stated after charging:		
Depreciation of tangible assets	63,149	84,207
Hire of plant and machinery	6,151	40,851
Operating lease rentals		
- Land and buildings	25,583	25,000
Auditors' remuneration	10,951	10,500

### 4. Other Interest Receivable and Similar Income

	1995 £	1994 £
Bank interest received	151	143

### 5. Amounts Written off Investments

	1995 £	1994 £
Amounts written off fixed asset investments:		
Permanent diminution in value	42,499	42,500

# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

6. Interest Payable	1995 £	1994 £
On bank loans and overdrafts	36,949	21,325
On other loans wholly repayable within 5 years	8,265	28,353
Hire purchase interest	-	868
On overdue tax	-	883
	<u>£ 45,214</u>	<u>£ 51,429</u>

7. Taxation	1995 £	1994 £
<b>U.K. Current year taxation</b>		
U.K. Corporation tax at 33% (1994 - 33%)	113,981	85,122
Transfer to deferred taxation	4,454	1,735
	<u>118,435</u>	<u>86,857</u>
<b>Prior years</b>		
U.K. Corporation tax	(977)	(7)
	<u>£ 117,458</u>	<u>£ 86,850</u>

Group losses of £7,093 have been utilised in arriving at the Corporation Tax charge stated above. This is subject to the agreement of the Inland Revenue.

8. Dividends	1995 £	1994 £
Ordinary interim paid 28 April 1995	<u>120,000</u>	<u>128,000</u>

Johnson Bros. Coal Factors Limited

Notes to the Financial Statements  
for the year ended 30 April 1995

9. Tangible Assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 May 1994	119,198	1,180,301	41,793	45,091	1,386,383
Additions	-	76,950	2,589	-	79,539
Disposals	-	(14,000)	-	-	(14,000)
At 30 April 1995	<u>119,198</u>	<u>1,243,251</u>	<u>44,382</u>	<u>45,091</u>	<u>1,451,922</u>
<b>Depreciation</b>					
At 1 May 1994	22,337	1,016,291	28,139	31,744	1,098,511
On disposals	-	(13,999)	-	-	(13,999)
Charge for year	2,385	52,464	2,082	6,218	63,149
At 30 April 1995	<u>24,722</u>	<u>1,054,756</u>	<u>30,221</u>	<u>37,962</u>	<u>1,147,661</u>
<b>Net book values</b>					
At 30 April 1995	<u>£ 94,476</u>	<u>£ 188,495</u>	<u>£ 14,161</u>	<u>£ 7,129</u>	<u>£ 304,261</u>
At 30 April 1994	<u>£ 96,861</u>	<u>£ 164,010</u>	<u>£ 13,654</u>	<u>£ 13,347</u>	<u>£ 287,872</u>

All interest in respect of leasehold property are in respect of short leases.  
At the balance sheet date there were no tangible fixed assets subject to hire purchase contracts or finance leases.

Johnson Bros. Coal Factors Limited

Notes to the Financial Statements  
for the year ended 30 April 1995

10. Fixed Asset Investments	1995 £	1994 £
Subsidiary undertakings	2,001	44,500
Other investments	4,000	4,000
	<u>£ 6,001</u>	<u>£ 48,500</u>

Investment in subsidiary undertakings

	Shares £
<b>Cost</b>	
At 1 May 1994 & at 30 April 1995	87,000
<b>Provisions for diminution in value</b>	
At 1 May 1994	42,500
Movement	42,499
At 30 April 1995	84,999
<b>Net Book Values</b>	
At 30 April 1995	<u>£ 2,001</u>
At 30 April 1994	<u>£ 44,500</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Other investments

	Unlisted £
<b>Cost</b>	
At 1 May 1994 & at 30 April 1995	4,000
<b>Net Book Values</b>	
At 30 April 1995	<u>£ 4,000</u>
At 30 April 1994	<u>£ 4,000</u>



# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

### 10. Fixed Asset Investments (continued)

#### Holdings of more than 10%

The company holds more than 10% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Johnson Brothers Coal Traders Limited	England and Wales	Ordinary	100
Quotecast Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit/(loss) for the year
Johnson Brothers Coal Traders Limited	£54,468	£25,685
Quotecast Limited	£(473,089)	£(8,717)

Both subsidiary companies are registered in England and Wales. The principal activity of Quotecast Limited is that of a small mine operator, whilst the principal activity of Johnson Brothers Coal Traders Limited is that of a coal trader.

The financial statements of Quotecast Limited include disclosures in respect of the subsidiary company's ability to continue as a going concern, which is dependent upon the support of the holding company. The audit report draws attention to these disclosures, but is not qualified in this respect.

### 11. Stocks

	1995 £	1994 £
Raw materials and consumables	<u>873,499</u>	<u>828,424</u>

### 12. Debtors

	1995 £	1994 £
Trade debtors	336,130	405,009
Amounts owed by group undertakings	249,792	333,423
Other debtors	1,102	1,458
Prepayments and accrued income	33,241	26,529
	<u>£ 620,265</u>	<u>£ 766,419</u>

# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

13. Creditors: amounts falling due within one year	1995 £	1994 £
Bank loans and overdrafts (secured)	551,076	627,919
Trade creditors	363,786	527,688
Corporation tax	113,000	53,122
Other taxes and social security costs	90,653	62,701
Directors' current accounts	187,073	170,158
Other creditors	526	32,824
Accruals and deferred income	23,000	23,369
	<u>£1,329,114</u>	<u>£1,497,781</u>

The company's bank borrowings are secured by a debenture on bank's standard form, together with an unlimited cross guarantee and debenture between the company, Johnson Brothers Coal Traders Limited, a subsidiary company and Abertawe Transport Limited, a connected company.

### 14. Provisions for Liabilities and Charges

Deferred tax is provided at 33% (1994 - 33%) analysed over the following timing differences:

	Fully Provided	
	1995 £	1994 £
Accelerated capital allowances	15,006	10,552
	<u>£ 15,006</u>	<u>£ 10,552</u>

Movements on the provision for deferred taxation are:

	£
At 1 May 1994	10,552
Transferred from profit and loss account	4,454
At 30 April 1995	<u>£ 15,006</u>

### 15. Pension Costs

The company operates defined contribution schemes in respect of certain directors and employees. Pension costs charged of £63,943 (1994-£57,753) represent contributions payable to the scheme in respect of the year. There were no outstanding or prepaid contributions at the balance sheet date.

**Johnson Bros. Coal Factors Limited**

**Notes to the Financial Statements  
for the year ended 30 April 1995**

<b>16. Share Capital</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
<b>Allotted, called up and fully paid</b>		
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>
 <b>17. Profit And Loss Account</b>	 <b>1995</b>	 <b>1994</b>
	<b>£</b>	<b>£</b>
Retained profits at 1 May 1994	422,382	455,454
Retained profit/(loss) for the year	<u>37,024</u>	<u>(33,072)</u>
Retained profits at 30 April 1995	<u>£ 459,406</u>	<u>£ 422,382</u>
 <b>18. Reconciliation of Movements in Shareholders' Funds</b>	 <b>1995</b>	 <b>1994</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	157,024	94,928
Dividends	<u>(120,000)</u>	<u>(128,000)</u>
Net addition to /depletion in shareholders' funds	37,024	(33,072)
Opening shareholders' funds	<u>422,882</u>	<u>455,954</u>
Closing shareholders' funds	<u>£ 459,906</u>	<u>£ 422,882</u>
 <b>19. Contingent Liabilities</b>		

As disclosed in note 13 the company, together with a subsidiary company and a connected company, has given an unlimited cross guarantee and debenture to the bank. At the balance sheet date, the amounts advanced under this facility totalled £611,949.

# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

### 20. Financial Commitments

At 30 April 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1995	1994
	£	£
Expiry date:		
Within one year	32,000	25,000
Between two and five years	128,000	100,000
In over five years	-	25,000
	<u>£ 160,000</u>	<u>£ 150,000</u>

The above commitments have been calculated based on rent payable at the latest review date.

### 21. Capital Commitments

Prior to the balance sheet date, the company incurred expenditure of £75,000, excluding value added tax, on an item of plant. This purchase has been funded by a hire purchase agreement which commenced subsequent to the balance sheet date. Approximately £235,000 of further expenditure had been authorised, but not contracted for.

### 22. Directors' Emoluments

	1995	1994
	£	£
Fees	81,500	7,250
Remuneration	250,742	236,355
	<u>£ 332,242</u>	<u>£ 243,605</u>

Fees and other Emoluments disclosed above (excluding pension contributions) include amounts paid to:

The chairman (1994 - and highest paid director)	£ 65,346	£ 45,666
The highest-paid director	£ 65,688	£ -

Directors' emoluments (excluding pension contributions) were in the following ranges:

	Number	Number
£5,001 - £10,000	1	1
£10,001 - £15,000	-	1
£15,001 - £20,000	-	3
£20,001 - £25,000	4	-
	<u>      </u>	<u>      </u>

# Johnson Bros. Coal Factors Limited

## Notes to the Financial Statements for the year ended 30 April 1995

### 23. Transactions With Directors

During the year, storage charges of £50,000 were paid in respect of coal stored on land owned by the directors.

### 24. Employees

#### Number of employees

The average weekly number of employees (including directors) during the year was:

	1995 Number	1994 Number
Office and management	11	12
Direct labour	18	15
	<u>29</u>	<u>27</u>

#### Employment costs

	£	£
Wages and salaries	542,977	414,360
Social security costs	52,399	41,983
Other pension and healthcare costs	69,238	62,052
	<u>£ 664,614</u>	<u>£ 518,395</u>