

Company Registration No. 761527 (England and Wales)

JOHNSON BROS COAL FACTORS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2000



JOHNSON BROS COAL FACTORS LIMITED

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JOHNSON BROS COAL FACTORS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

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

Principal activities

The company's principal activities during the year were those of coal factors and coal processing operators, and the holding of investment properties for letting. During the previous year a major contract was terminated, however, the company is to continue trading on a reduced scale in the future.

Directors

The following directors have held office since 1 May 1999:

R A Johnson
K Johnson
M Johnson
V H Johnson

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 April 2000	1 May 1999
R A Johnson	125	125
K Johnson	125	125
M Johnson	125	125
V H Johnson	125	125

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 (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

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 has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



V H Johnson

Director

27 February 2001

JOHNSON BROS COAL FACTORS LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF JOHNSON BROS COAL FACTORS LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 7 and 9.

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

Gerald Thomas & Co

Gerald Thomas & Co

Chartered Accountants

Registered Auditor

24 February 2001

Furze Bank
34 Hanover Street
Swansea
SA1 6BA

JOHNSON BROS COAL FACTORS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
Turnover		1,244,177	2,299,237
Cost of sales		(812,564)	(1,464,362)
Gross profit		<u>431,613</u>	<u>834,875</u>
Administrative expenses		(338,930)	(714,835)
Other operating income		-	121
Operating profit	2	<u>92,683</u>	<u>120,161</u>
Other interest receivable and similar income		10,625	25,000
Interest payable and similar charges	3	(180,236)	(194,429)
Loss on ordinary activities before taxation		<u>(76,928)</u>	<u>(49,268)</u>
Tax on loss on ordinary activities	5	-	(6,269)
Loss on ordinary activities after taxation	16	<u>(76,928)</u>	<u>(55,537)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

JOHNSON BROS COAL FACTORS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 APRIL 2000

	2000 £	1999 £
Loss for the financial year	(76,928)	(55,537)
Unrealised (deficit)/surplus on revaluation of properties	-	740,560
Total recognised gains and losses relating to the year	<u>(76,928)</u>	<u>685,023</u>

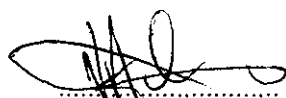
JOHNSON BROS COAL FACTORS LIMITED

BALANCE SHEET AS AT 30 APRIL 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	6 and 7	3,172,715		3,031,505	
Investments	8	8,901		6,001	
		<u>3,181,616</u>		<u>3,037,506</u>	
Current assets					
Stocks		62,050		161,046	
Debtors	9	494,096		574,622	
		<u>556,146</u>		<u>735,668</u>	
Creditors: amounts falling due within one year	10	(1,346,184)		(1,222,769)	
Net current liabilities		<u>(790,038)</u>		<u>(487,101)</u>	
Total assets less current liabilities		2,391,578		2,550,405	
Creditors: amounts falling due after more than one year	11	(1,559,189)		(1,651,088)	
Accruals and deferred income	13	(10,000)		-	
		<u>822,389</u>		<u>899,317</u>	
Capital and reserves					
Called up share capital	15	500		500	
Revaluation reserve	16	740,560		740,560	
Profit and loss account	16	81,329		158,257	
Shareholders' funds - equity interests	17	<u>822,389</u>		<u>899,317</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 27 February 2001



V H Johnson
Director

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

They are also prepared on the basis that the company will continue as a going concern which assumes the continued support of the company's bankers, loan creditors and directors. The financial statements do not include any adjustments that would result from a withdrawal of this support.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts, together with rental income from investment properties.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings - freehold	2% straight line on buildings (land is not depreciated)
Plant and machinery	20% to 50% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	25% straight line

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view.

1.4 Leasing

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

1.5 Investments

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

1.6 Stock and work in progress

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 Number 24.

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

1 Accounting policies

(continued)

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2	Operating profit	2000 £	1999 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	44,652	123,118
	Operating lease rentals		
	- Plant hire	1,875	19,343
	- Other assets	32,000	32,000
	Auditors' remuneration	2,700	5,500
	Directors' emoluments	202,174	275,140

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (1999- 4).

3	Interest payable	2000 £	1999 £
	On bank loans and overdrafts	44,836	40,768
	On loans repayable after 5 years	135,400	153,661
		<u>180,236</u>	<u>194,429</u>

4	Other interest receivable	2000 £	1999 £
	Other interest	10,625	25,000
		<u>10,625</u>	<u>25,000</u>

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

5	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999- 21%)	-	6,269

6	Tangible fixed assets					
		Land and buildings - freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
		£	£	£	£	£
	Cost or valuation					
	At 1 May 1999	121,806	1,537,265	51,107	51,323	1,761,501
	Additions	-	-	1,370	-	1,370
	Disposals	-	(473,750)	(3,823)	(43,404)	(520,977)
	At 30 April 2000	121,806	1,063,515	48,654	7,919	1,241,894
	Depreciation					
	At 1 May 1999	102,206	1,493,041	39,152	45,597	1,679,996
	On disposals	-	(460,281)	(2,440)	(40,218)	(502,939)
	Charge for the year	19,590	22,015	2,124	923	44,652
	At 30 April 2000	121,796	1,054,775	38,836	6,302	1,221,709
	Net book value					
	At 30 April 2000	10	8,740	9,818	1,617	20,185
	At 30 April 1999	19,600	44,224	11,955	5,726	81,505

7	Tangible fixed assets	Investment properties
		£
	Cost or valuation	
	At 1 May 1999	2,950,000
	Additions	202,530
	At 30 April 2000	3,152,530

The valuations of investment properties were made as at 30 April 1999 by Messrs Peter Morgan Professional Services, Chartered Surveyors, on an open market basis for existing use. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £2,411,970 (1999 - £2,209,440), and aggregate depreciation of £nil (1999 - £nil).

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

8 Fixed asset investments

	Unlisted investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost or valuation			
At 1 May 1999	4,000	87,000	91,000
Additions	2,900	-	2,900
	<u>6,900</u>	<u>87,000</u>	<u>93,900</u>
At 30 April 2000	6,900	87,000	93,900
Provisions for diminution in value			
At 1 May 1999 & at 30 April 2000	-	84,999	84,999
	<u>-</u>	<u>84,999</u>	<u>84,999</u>
Net book value			
At 30 April 2000	6,900	2,001	8,901
	<u>6,900</u>	<u>2,001</u>	<u>8,901</u>
At 30 April 1999	4,000	2,001	6,001
	<u>4,000</u>	<u>2,001</u>	<u>6,001</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Johnson Brothers Coal Traders Ltd	England and Wales	Ordinary		100
Quotecast Ltd	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 for the year
Johnson Brothers Coal Traders Ltd	165,584	434
Quotecast Ltd	(479,429)	(449)
	<u>165,584</u>	<u>(449)</u>

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

9 Debtors	2000 £	1999 £
Trade debtors	137,570	115,462
Corporation tax	7,125	5,000
ACT recoverable	37,158	10,000
Amounts owed by connected companies	171,204	294,821
Other debtors	108,984	80,352
Prepayments and accrued income	32,055	68,987
	<u>494,096</u>	<u>574,622</u>

Included in other debtors are amounts owed to the company by the directors. The amounts are disclosed at note 20.

10 Creditors: amounts falling due within one year	2000 £	1999 £
Debenture loans	83,210	74,521
Bank loans and overdrafts	732,806	623,170
Trade creditors	155,161	113,048
Amounts owed to group undertakings and undertakings in which the company has a participating interest	174,665	75,159
Corporation tax	1,369	1,269
Other taxes and social security costs	86,643	107,431
Directors current accounts	-	1,463
Amounts owed to connected companies	37,935	146,509
Accruals and deferred income	74,395	80,199
	<u>1,346,184</u>	<u>1,222,769</u>

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

11 Creditors: amounts falling due after more than one year	2000 £	1999 £
Other creditors	1,559,189	1,651,088
Analysis of loans		
Not wholly repayable within five years by instalments	1,233,589	1,287,908
Wholly repayable within five years	408,810	437,701
	1,642,399	1,725,609
Included in current liabilities	(83,210)	(74,521)
	1,559,189	1,651,088
Instalments not due within five years	-	-
Loan maturity analysis		
In more than one year but not more than two years	81,400	78,999
In more than two years but not more than five years	244,200	284,181
In more than five years	1,233,589	1,287,908

The company's bank borrowings are secured by a debenture on a bank's standard form. The debenture loans are secured by a first legal charge over the land owned by the group at Heol Las, Llansamlet, and Compton Road, Neath. The bank borrowings are also secured by an unlimited cross guarantee and debenture between the company, Johnson Brothers Coal Traders Limited, a subsidiary company, and Abertawe Transport Limited, a connected company.

12 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2000 £	Not provided 1999 £	2000 £	Provided 1999 £
Surplus on revaluation of land and buildings	189,689	189,689	-	-

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

13 Accruals and deferred income

	Reinstatement charges £
Reinstatement charges raised during the year	10,000
Balance at 30 April 2000	10,000

Deferred income represents a charge made for the costs of reinstatement of the land purchased during the year, which has not yet been incurred.

14 Pension costs

The company operates defined contribution schemes in respect of certain directors and employees. Pension costs charged of £38,760 (1999: £77,521) represent contributions payable to the scheme in respect of the year. There were no outstanding or prepaid contributions at the balance sheet date.

15 Share capital	2000 £	1999 £
Authorised		
5,000 Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
500 Ordinary shares of £1 each	500	500

16 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 May 1999	740,560	158,257
Retained loss for the year	-	(76,928)
Balance at 30 April 2000	740,560	81,329

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

17 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Loss for the financial year	(76,928)	(55,537)
Other recognised gains and losses	-	740,560
Net (depletion in)/addition to shareholders' funds	(76,928)	685,023
Opening shareholders' funds	899,317	214,294
Closing shareholders' funds	822,389	899,317

18 Contingent liabilities

As disclosed in note 11 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 not otherwise dealt with in these accounts totalled £12,724 (1999: £59,100).

19 Financial commitments

At 30 April 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £	1999 £
Expiry date:		
Within one year	-	32,000

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

20 Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount outstanding 2000 £	1999 £	Maximum in year £
R A Johnson	22,922	5,552	22,322
V H Johnson	39,072	21,478	38,472
M Johnson	29,625	13,292	28,225
K Johnson	17,015	-	15,615

The directors have given personal guarantees of £30,000 each to the company's lenders in respect of the loan to finance the acquisition of investment properties.

JOHNSON BROS COAL FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2000

21 Control

The company is controlled by its directors.

22 Related party transactions

During the year the company made sales to and purchases from (i) subsidiary undertakings of £196,074 (1999:£1,284,274) and £198,035 (1999:£1,271,558) respectively and (ii) connected companies of £397,366 (1999:£122,319) and £300,115 (1999:£599,440) respectively. The names of the connected companies concerned are Abertawe Transport Limited, D.F. & A.M. Bevan & Co. Limited and Ageglory Limited. The amounts due from and to these companies at the balance sheet date are disclosed at notes 9 and 10. Transactions with directors are disclosed at note 20.