

THE BENNIE GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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THE BENNIE GROUP LIMITED

COMPANY INFORMATION

Directors	E Ayres P O Toseland
Company secretary	N D Lantsbery
Company number	00365875
Registered office	The Old Piggeries Cranfield Road Burton Latimer Kettering Nothamptonshire NN15 5TB
Auditors	PKF (UK) LLP Regent House Clinton Avenue Nottingham NG5 1AZ
Bankers	HSBC Bank PLC 15 High Street Market Harborough Leicestershire LE16 7NN

THE BENNIE GROUP LIMITED

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THE BENNIE GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and the financial statements for the year ended 31 March 2010

Principal activities

The principal activity of the company is that of a management holding company

Business review

The company acts as a intermediate holding company

In the opinion of the directors, the required disclosures of key performance indicators and the principal risks and uncertainties of the business are not relevant given the nature of the company

Results and dividends

The loss for the year, after taxation, amounted to £81,383 (2009 - loss £4,117,592)

The directors paid a dividend of £19,250 (2009 - £2,600,000)

Directors

The directors who served during the year were

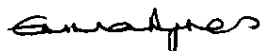
E Ayres
P O Toseland

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

This report was approved by the board on 5 October 2010 and signed on its behalf



E Ayres
Director

THE BENNIE GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

THE BENNIE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BENNIE GROUP LIMITED

We have audited the financial statements of The Bennie Group Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

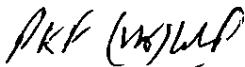
THE BENNIE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BENNIE GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Richard Wilson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors
Nottingham

Date 5 October 2010

THE BENNIE GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
TURNOVER	1,2	787,530	707,087
Administrative expenses		(837,808)	(952,931)
OPERATING LOSS	3	(50,278)	(245,844)
Amounts written off investments		-	(4,100,100)
Interest receivable	6	828	305,149
Interest payable	7	(33,172)	(76,797)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(82,622)	(4,117,592)
Tax on loss on ordinary activities	8	1,239	-
LOSS FOR THE FINANCIAL YEAR	16	(81,383)	(4,117,592)

All amounts relate to continuing operations

The notes on pages 8 to 16 form part of these financial statements

THE BENNIE GROUP LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	£	£
LOSS FOR THE FINANCIAL YEAR	(81,383)	(4,117,592)
Reversal of preference shares classified as debt (note 15)	<u>87,000</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>5,617</u>	<u>(4,117,592)</u>

The notes on pages 8 to 16 form part of these financial statements

THE BENNIE GROUP LIMITED
REGISTERED NUMBER: 00365875

BALANCE SHEET
AS AT 31 MARCH 2010

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	9		2,060,330		2,131,536
Fixed asset investments	10		760,135		760,135
			2,820,465		2,891,671
CURRENT ASSETS					
Debtors	11	173,509		155,240	
Cash at bank and in hand		4,097,939		4,595,415	
			4,271,448		4,750,655
CREDITORS: amounts falling due within one year	12	(1,232,764)		(1,399,265)	
			3,038,684		3,351,390
NET CURRENT ASSETS			3,038,684		3,351,390
TOTAL ASSETS LESS CURRENT LIABILITIES			5,859,149		6,243,061
CREDITORS: amounts falling due after more than one year	13		(738,627)		(1,107,667)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		(96,261)		(97,500)
NET ASSETS			5,024,261		5,037,894
CAPITAL AND RESERVES					
Called up share capital	15		42,000		42,000
Capital redemption reserve	16		3,000		3,000
Other reserves	16		-		(87,000)
Profit and loss account	16		4,979,261		5,079,894
SHAREHOLDERS' FUNDS			5,024,261		5,037,894

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



E Ayres
 Director

Date 5 October 2010

The notes on pages 8 to 16 form part of these financial statements

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Group accounts have not been prepared as all of the company's subsidiaries are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	25 to 50 years
Leasehold Property	-	Period of lease
Plant & machinery	-	2 to 20 years
Motor vehicles	-	2 to 6 years
Quarries	-	5 to 7 years

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment 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.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES (continued)

1.7 Pensions

Defined contribution pension scheme

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

Defined benefit pension scheme

The group operates a defined benefit pension scheme for the benefit of its employees. It is not possible to separately identify the company's share of the underlying assets and liabilities of this scheme. Consequently, contributions made by the company have been treated as contributions to a defined contribution scheme.

Further details and disclosures on this group defined benefit scheme are given in the consolidated financial statements of the company's ultimate parent undertaking, Bennie Holdings Limited.

2. TURNOVER

Turnover is attributable to management fees receivable from the company's subsidiary undertakings.

All turnover arose within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	78,531	64,061
Auditors' remuneration	1,500	12,325
Profit on disposal of fixed assets	(2,000)	-
	<u> </u>	<u> </u>

THE BENNIE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	434,133	425,540
Social security costs	51,082	46,410
Other pension costs	145,655	589,317
	<u>630,870</u>	<u>1,061,267</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No
Administration	<u>14</u>	<u>11</u>

5. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	<u>141,265</u>	<u>170,990</u>

During the year retirement benefits were accruing to no directors (2009 - 1) in respect of defined benefit pension schemes

6. INTEREST RECEIVABLE

	2010 £	2009 £
Interest receivable from group companies	-	283,835
Other interest receivable	828	21,314
	<u>828</u>	<u>305,149</u>

7. INTEREST PAYABLE

	2010 £	2009 £
On bank loans and overdrafts	32,491	32,800
On finance leases and hire purchase contracts	681	1,022
On loans from group undertakings	-	42,975
	<u>33,172</u>	<u>76,797</u>

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

8. TAXATION

	2010 £	2009 £
Analysis of tax charge in the year		
Deferred tax (see note 14)		
Origination and reversal of timing differences	(1,239)	-
Tax on loss on ordinary activities	<u>(1,239)</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2010 £	2009 £
Loss on ordinary activities before tax	<u>(82,622)</u>	<u>(4,117,592)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	(23,134)	(1,152,926)
Effects of:		
Expenses not deductible for tax purposes	8,925	1,146,972
Capital allowances for year in excess of depreciation	14,120	14,155
Tax losses to carry forward	89	(8,201)
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 April 2009	2,346,270	118,580	200,114	2,664,964
Additions	-	8,228	1,097	9,325
Disposals	-	(16,853)	-	(16,853)
At 31 March 2010	<u>2,346,270</u>	<u>109,955</u>	<u>201,211</u>	<u>2,657,436</u>
Depreciation				
At 1 April 2009	302,185	73,236	158,007	533,428
Charge for the year	49,024	17,378	12,129	78,531
On disposals	-	(14,853)	-	(14,853)
At 31 March 2010	<u>351,209</u>	<u>75,761</u>	<u>170,136</u>	<u>597,106</u>
Net book value				
At 31 March 2010	<u>1,995,061</u>	<u>34,194</u>	<u>31,075</u>	<u>2,060,330</u>
At 31 March 2009	<u>2,044,085</u>	<u>45,344</u>	<u>42,107</u>	<u>2,131,536</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2010 £	2009 £
Motor vehicles	<u>17,928</u>	<u>27,348</u>

THE BENNIE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost or valuation	
At 1 April 2009 and 31 March 2010	<u>4,935,909</u>
Impairment	
At 1 April 2009 and 31 March 2010	<u>4,175,774</u>
Net book value	
At 31 March 2010	<u>760,135</u>
At 31 March 2009	<u>760,135</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Barton Plant Limited	£1 Ordinary shares	100%
Boughton Loam & Turf Management Limited	£1 Ordinary shares	100%
Ken Hall Limited	£1 Ordinary shares	100%
Midland Forklifts Limited	£1 Ordinary shares	100%
Peter Bennie Limited	£1 Ordinary shares	100%

The aggregate of the share capital and reserves as at 31 March 2010 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Barton Plant Limited	2,755,892	(423,359)
Boughton Loam & Turf Management Limited	1,013,984	89,446
Ken Hall Limited	1,029,432	20,715
Midland Forklifts Limited	1,702,366	105,175
Peter Bennie Limited	<u>(2,875,204)</u>	<u>(1,484,439)</u>

11. DEBTORS

	2010 £	2009 £
Trade debtors	694	309
Amounts owed by group undertakings	125,013	125,013
Other debtors	-	21,999
Prepayments and accrued income	47,802	7,919
	<u>173,509</u>	<u>155,240</u>

THE BENNIE GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

**12. CREDITORS:
Amounts falling due within one year**

	2010 £	2009 £
Bank loans and overdrafts	491,172	525,762
Net obligations under finance leases and hire purchase contracts	-	6,857
Trade creditors	45,570	25,985
Amounts owed to group undertakings	655,270	656,369
Social security and other taxes	26,485	123,830
Other creditors	-	25,945
Accruals and deferred income	14,267	34,517
	1,232,764	1,399,265

**13. CREDITORS:
Amounts falling due after more than one year**

	2010 £	2009 £
Amounts owed to group undertakings	738,627	1,020,667
Share capital treated as debt (Note 15)	-	87,000
	738,627	1,107,667

Disclosure of the terms and conditions attached to the non-equity shares is made in note 15

14. DEFERRED TAXATION

	2010 £	2009 £
At beginning of year	97,500	97,500
Charge for/(released during) year	(1,239)	-
	96,261	97,500

The provision for deferred taxation is made up as follows

	2010 £	2009 £
Fixed asset timing differences	22,021	31,461
Capital gains	74,240	74,240
Losses and other deductions	-	(8,201)
	96,261	97,500

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

15 SHARE CAPITAL

	2010 £	2009 £
Shares classified as capital		
Allotted, called up and fully paid		
33,000 Ordinary shares of £1 each	33,000	33,000
9,000 Preferred shares of £1 each	9,000	9,000
	<u>42,000</u>	<u>42,000</u>
Shares classified as debt		
Allotted, called up and fully paid		
Preferred shares of £1 each	-	87,000
	<u>-</u>	<u>87,000</u>

During the year the directors have reviewed the rights attached to the preference shares. The previously recognised balance of shares classified as debt of £87,000 and the other reserves (note 16) balance of £87,000 have been released in line with the clarification of the rights. The adjustment has no effect on the net assets of the company.

16. RESERVES

	Capital redempt'n reserve £	Other reserves £	Profit and loss account £
At 1 April 2009	3,000	(87,000)	5,079,894
Loss for the year			(81,383)
Dividends Equity capital			(19,250)
Reversal of preference shares classified as debt (note 15)		87,000	
	<u>3,000</u>	<u>-</u>	<u>4,979,261</u>
At 31 March 2010			

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	5,037,894	11,755,486
Loss for the year	(81,383)	(4,117,592)
Dividends (Note 18)	(19,250)	(2,600,000)
Reversal of preference shares classified as debt (note 15)	87,000	-
	<u>5,024,261</u>	<u>5,037,894</u>
Closing shareholders' funds		

THE BENNIE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

18. DIVIDENDS

	2010 £	2009 £
Dividends paid on equity capital	<u>19,250</u>	<u>2,600,000</u>

19. CONTINGENT LIABILITIES

There is an unlimited multilateral guarantee with other group undertakings in respect of group borrowings which are secured by a fixed and floating charge over all the assets of the company. The amounts subject to this guarantee at 31 March 2010 was £nil (2009 - £nil)

There is a composite company limited multilateral guarantee with other group undertakings dated 21 May 2008. The amounts subject to this guarantee at 31 March 2010 were £NIL (2009 - £NIL)

20. PENSION COMMITMENTS

Defined benefit pension scheme

The group operates a defined benefit scheme for the benefit of its employees. It is not, however, possible to separately identify the company's share of the underlying assets and liabilities of this scheme. Consequently, contributions made by the company have been treated as contributions to a defined contribution scheme.

The assets of the scheme are administered by trustees in a fund independent from those of the group.

Further details and disclosures on this group defined benefit scheme are given in the consolidated financial statements of the company's ultimate parent undertaking, Bennie Holdings Limited.

21. RELATED PARTY TRANSACTIONS

The company is part of a group where 100% of its share capital is controlled by that group and consolidated accounts are publically available, therefore the company has taken advantage of the exemption provisions under FRS 8 Related Party Disclosures from disclosing transactions with other group companies.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors consider that the ultimate parent undertaking of this company and its controlling party by virtue of its 100% ownership of the share capital of this company is Bennie Holdings Limited.

The ultimate controlling party of the company is Mrs E Ayres.

The largest and smallest group of undertakings for which group accounts have been prepared are those of Bennie Holdings Limited.