

**C. & W. BERRY LIMITED**  
**REPORTS**  
**AND**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST OCTOBER 1998**



**WHITEHEAD & ALDRICH**

CHARTERED ACCOUNTANTS

5 RIBBLESDALE PLACE,  
PRESTON  
PR1 8BZ.



**C. & W. BERRY LIMITED**  
**OFFICERS AND ADVISORS**

**DIRECTORS**

Walter Berry  
Colin Berry  
Alan Wright  
David John Berry  
Peter Jones  
Graham Charnley Parker

**SECRETARY**

Susan Louise Taylor - Berry

**AUDITORS**

Whitehead & Aldrich,  
Chartered Accountants,  
5, Ribblesdale Place,  
Preston.  
PR1 8BZ.

**BANKERS**

The Royal Bank of Scotland plc.,  
165 Towngate,  
Leyland.  
PR5 1TE.

**REGISTERED OFFICE**

Wellfield Sawmills,  
King Street,  
Leyland.  
PR5 1LE.

**REGISTERED NUMBER**

1464224 (England and Wales)

**C. & W. BERRY LIMITED****REPORT OF THE DIRECTORS**

The directors present their annual report and the audited financial statements of the company for the year ended 31st October 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the company during the year was that of timber, builder's and plumbers' merchants.

**RESULTS FOR THE YEAR**

The profit and loss account on page 4 shows the results for the year. The directors do not recommend the payment of a dividend. The profit for the financial year amounts to £ 384,753.

**BUSINESS REVIEW**

The directors expect that the results for the year ending 31st October 1999 will be similar to those achieved in the year under review.

**FIXED ASSETS**

The changes which have taken place during the year are shown on page 9 of the financial statements.

**DIRECTORS**

The directors during the year and their interests (including wife's holding) in the share capital of the company were as follows:

	<b>ORDINARY SHARES OF £1 EACH</b>	
	<b>At the end of the year</b>	<b>At the beginning of the year</b>
W. Berry	1,560	1560
C. Berry	1,560	1560
A. Wright	50	50
D.J. Berry	840	840
P. Jones	-	-
G.C. Parker	-	-

**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 year. 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

**AUDITORS**

A resolution to re - appoint the auditors, Whitehead & Aldrich, will be proposed at the annual general meeting.

Signed on behalf of the board of directors



W. BERRY  
Director

Approved by the board: 17th February 1999

**REPORT OF THE AUDITORS  
TO THE SHAREHOLDERS OF C. & W. BERRY LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared in accordance with the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of the 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 31st October 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Whitehead & Aldrich*

**WHITEHEAD & ALDRICH**  
Chartered Accountants  
and Registered Auditors,  
Preston.

17th February 1999

**C. & W. BERRY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

	NOTES	1 9 9 8		1 9 9 7	
		£	£	£	£
<b>TURNOVER</b>	2		17,941,018		16,798,626
Other operating income			6,782		6,581
			<u>17,947,800</u>		<u>16,805,207</u>
Goods for re-sale			13,697,010		12,891,574
			<u>4,250,790</u>		<u>3,913,633</u>
Staff costs	3	2,821,544		2,617,732	
Depreciation		104,057		83,527	
Other operating charges		740,535	3,666,136	653,384	3,354,643
<b>OPERATING PROFIT</b>	4		<u>584,654</u>		<u>558,990</u>
Income from other fixed asset investments			713		375
			<u>585,367</u>		<u>559,365</u>
Interest receivable			302		-
			<u>585,669</u>		<u>559,365</u>
Interest payable	5		61,611		77,594
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<u>524,058</u>		<u>481,771</u>
Taxation	6		139,305		127,122
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u>384,753</u>		<u>354,649</u>
Retained profit brought forward			3,026,403		2,671,754
<b>RETAINED PROFIT CARRIED FORWARD</b>			<u>3,411,156</u>		<u>3,026,403</u>

**CONTINUING OPERATIONS**

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

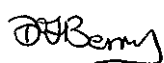
**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the above two financial years.

**C. & W. BERRY LIMITED**  
**BALANCE SHEET**  
**AS AT 31ST OCTOBER 1998**

	NOTES	1 9 9 8		1 9 9 7	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7	2,198,062		1,889,096	
Investments	8	6,814	2,204,876	6,814	1,895,910
<b>CURRENT ASSETS</b>					
Stocks		1,815,939		1,626,575	
Debtors	9	2,682,236		2,763,418	
Cash		4,858		4,346	
		4,503,033		4,394,339	
<b>CREDITORS: amounts falling due within one year</b>	10	2,664,498		2,604,881	
<b>NET CURRENT ASSETS</b>			1,838,535		1,789,458
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,043,411		3,685,368
<b>CREDITORS: amounts falling due after more than one year</b>	11	611,655		640,965	
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	13	15,600	627,255	13,000	653,965
<b>NET ASSETS</b>			3,416,156		3,031,403
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		4,900		4,900
Capital redemption reserve			100		100
Profit and loss account			3,411,156		3,026,403
<b>SHAREHOLDERS' FUNDS</b>	15		3,416,156		3,031,403

Signed on behalf of the board of directors



D.J. BERRY  
 Director

Approved by the board: 17th February 1999

**C. & W. BERRY LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 1998**

	NOTES	1 9 9 8 £	1 9 9 7 £
<b>CASH FLOW STATEMENT</b>			
Net cash inflow from operating activities	19	462,918	726,996
Returns on investments and servicing of finance	20a	(60,379)	(77,006)
Taxation		(116,705)	(115,422)
Capital expenditure and financial investment	20b	(413,023)	(69,379)
		(127,189)	465,189
Financing	20c	27,372	30,800
(Decrease) / increase in cash		(154,561)	434,389

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (See Note 21)**

	1 9 9 8 £	1 9 9 7 £
(Decrease) / increase in cash	(154,561)	434,389
Decrease in bank and other loans	27,372	30,800
Change in net funds	(127,189)	465,189
Net debt brought forward	(830,278)	(1,295,467)
Net debt carried forward	(957,467)	(830,278)

## C. &amp; W. BERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST OCTOBER 1998

## 1. ACCOUNTING POLICIES

**Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**Turnover**

Turnover represents the invoiced amount of goods sold and services provided, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off assets over their estimated useful lives:

Freehold buildings	- expenditure prior to 1st November 1982	- Nil
	- expenditure since 1st November 1982	- 2% on cost
Motor vehicles		- 25% on written down value
Plant and equipment	- computer equipment	- 20% on cost
	- other	- 20% on written down value

No depreciation is provided on freehold land.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in bringing stocks to their present location and condition, including attributable overheads.

**Deferred Taxation**

Deferred taxation is provided on the liability method except where there is reasonable probability that no liability will arise in the foreseeable future.

**Lease transactions**

Rentals under operating leases are charged to profit and loss account as they fall due.

**Pensions**

The company provides funded pension plans for the employees and four directors of the company. The assets of these plans are held separately from those of the company in independently administered funds. Contributions to the plans are charged to the profit and loss account as they become payable.

## 2. TURNOVER

There was no turnover attributable to geographical markets outside the United Kingdom during the two financial years.

## 3. STAFF COSTS

	1998 £	1997 £
Wages and salaries	2,534,433	2,347,981
Social security costs	244,781	227,850
Other pension costs	42,330	41,901
	<u>2,821,544</u>	<u>2,617,732</u>



**C. & W. BERRY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**3. STAFF COSTS (continued)**

	<b>1998 Number</b>	<b>1997 Number</b>
<b>Average number of persons employed</b>	<b>181</b>	<b>175</b>

The above number of employees has not been analysed into categories because, in the directors' opinion, this would not be practicable because of the nature and variety of work performed by individual employees.

**4. OPERATING PROFIT**

This is stated after charging:

	<b>1998 £</b>	<b>1997 £</b>
Directors' emoluments	<b>153,679</b>	146,658
Directors' money purchase pension scheme contributions	<b>20,000</b>	19,440
Auditors' remuneration	<b>7,350</b>	7,000
Operating lease rentals	<b>8,000</b>	8,000

**5. INTEREST PAYABLE**

	<b>1998 £</b>	<b>1997 £</b>
On bank overdrafts	<b>23,597</b>	40,788
On loans	<b>38,014</b>	36,806
	<b>61,611</b>	77,594

**6. TAXATION**

	<b>1998 £</b>	<b>1997 £</b>
Tax attributable to franked investment income	<b>143</b>	75
Corporation tax at 26.3% (1997 - 26.0%)	<b>137,000</b>	117,000
Deferred taxation	<b>2,600</b>	10,200
	<b>139,743</b>	127,275
Prior year adjustment	<b>(438)</b>	(153)
	<b>139,305</b>	127,122

## C. &amp; W. BERRY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST OCTOBER 1998

## 7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Plant and Equipment £	Total £
<b>Cost:</b>				
At 1st November 1997	2,023,837	379,391	808,926	3,212,154
Additions	244,459	82,589	89,175	416,223
Disposals	-	(24,740)	-	(24,740)
<b>At 31st October 1998</b>	<b>2,268,296</b>	<b>437,240</b>	<b>898,101</b>	<b>3,603,637</b>
<b>Depreciation:</b>				
At 1st November 1997	428,391	276,949	617,718	1,323,058
Charged in year	17,170	35,965	50,922	104,057
Disposals	-	(21,540)	-	(21,540)
<b>At 31st October 1998</b>	<b>445,561</b>	<b>291,374</b>	<b>668,640</b>	<b>1,405,575</b>
<b>Net book value:</b>				
<b>At 31st October 1998</b>	<b>1,822,735</b>	<b>145,866</b>	<b>229,461</b>	<b>2,198,062</b>
At 1st November 1997	1,595,446	102,442	191,208	1,889,096

Included in freehold land and buildings is land amounting to £1,312,415 (1997 - £1,312,415) which has not been depreciated.

## 8. INVESTMENTS

£

## Unlisted securities:

At cost at 1st November 1997 and 31st October 1998

6,814

## 9. DEBTORS

	1998 £	1997 £
Trade debtors	2,613,554	2,700,232
Prepayments	66,717	62,754
Other debtors	1,965	432
	<b>2,682,236</b>	<b>2,763,418</b>

**C. & W. BERRY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**10. CREDITORS: amounts falling due within one year**

	1998 £	1997 £
Bank overdrafts (secured per note 12)	320,497	165,424
Trade creditors	1,535,836	1,636,813
Corporation tax	137,000	117,000
Other taxes and social security	312,515	321,728
Directors' current and loan accounts	132,549	158,978
Accruals	213,152	192,837
Other creditors	12,949	12,101
	<u>2,664,498</u>	<u>2,604,881</u>

**11. CREDITORS: amounts falling after more than one year**

	1998 £	1997 £
Director's loan repayable:		
Between one and five years	90,130	82,595
After five years	259,775	283,671
Other creditors repayable:		
Between one and five years	67,733	61,951
After five years	194,017	212,748
	<u>611,655</u>	<u>640,965</u>

The director's loan and other creditors are repayable in annual instalments. Interest is payable at 1.5% below bank base lending rate. Repayments are being made at a level whereby the whole of the loans will have been repaid by 2010.

**12. BANK BORROWINGS**

The bank overdraft is secured by charges on certain of the company's assets.

**13. DEFERRED TAXATION**

Deferred taxation provided in the financial statements and the full potential liability are as follows:

	1998 £	1997 £
Accelerated capital allowances	21,800	18,900
Short term timing differences	(6,200)	(5,900)
	<u>15,600</u>	<u>13,000</u>

**14. SHARE CAPITAL**

	1998 £	1997 £
Authorised:		
200,000 ordinary shares of £1 each	200,000	200,000
Allotted issued and fully paid:		
4,900 ordinary shares of £1 each	4,900	4,900

**C. & W. BERRY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**15. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Profit for the financial year	384,753	354,649
Opening shareholders' funds	3,031,403	2,676,754
	<hr/>	<hr/>
Closing shareholders' funds	3,416,156	3,031,403
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**16. COMMITMENTS UNDER OPERATING LEASES**

At 31st October 1998, the company had annual commitments under non - cancellable operating leases as set out below:-

	1998 £	1997 £
Operating leases which expire:		
In over five years		
Land and buildings	8,000	8,000
	<hr/>	<hr/>

**17. CAPITAL COMMITMENTS**

	1998 £	1997 £
Contracted for	89,000	-
	<hr/>	<hr/>

**18. RELATED PARTY TRANSACTIONS**

Creditors include loans which subsisted throughout the year between the company and a director Mr. D.J. Berry and with close family members of other directors.

The aggregate amounts included in the accounts in connection with these loans were as follows:-

**1) Creditors**

	As at 31st October 1998	
	Director's loan £	Other creditors £
Falling due within one year	17,224	12,949
Falling due after more than one year	349,905	261,750
	<hr/>	<hr/>
	367,129	274,699
	<hr/>	<hr/>
Accruals	22,219	15,795
	<hr/>	<hr/>

**2) Profit and loss account**

Interest charged in the year	22,219	15,795
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**C. & W. BERRY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST OCTOBER 1998**

**19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit	584,654	558,990
Depreciation	104,057	83,527
(Increase) / decrease in stocks	(189,364)	123,563
(Increase) / decrease in debtors	81,182	(242,669)
Increase / (decrease) in creditors	(117,611)	203,585
	<u>462,918</u>	<u>726,996</u>

**20. ANALYSIS OF CASH FLOW GIVEN IN CASH FLOW STATEMENT**

**a) Returns on investments and servicing of finance**

	1998 £	1997 £
Dividends received	713	375
Interest received	302	-
Interest paid	(61,394)	(77,381)
	<u>(60,379)</u>	<u>(77,006)</u>

**b) Capital expenditure and financial investment**

	1998 £	1997 £
Purchase of fixed assets	(416,223)	(80,261)
Sale of fixed assets	3,200	10,882
	<u>(413,023)</u>	<u>(69,379)</u>

**c) Financing**

	1998 £	1997 £
Decrease in bank and other loans	<u>27,372</u>	<u>30,800</u>

**21. ANALYSIS OF NET DEBT**

	At 1st November 1997 £	Cash flows £	At 31st October 1998 £
Cash in hand	4,346	512	4,858
Bank overdrafts	(165,424)	(155,073)	(320,497)
Other loans:			
Due within one year	(28,235)	(1,938)	(30,173)
Due after more than one year	(640,965)	29,310	(611,655)
	<u>(830,278)</u>	<u>(127,189)</u>	<u>(957,467)</u>