

✓ **REGISTERED NUMBER - 1464224**
(England and Wales)

C. & W. BERRY LIMITED
REPORTS
AND
FINANCIAL STATEMENTS
YEAR ENDED 31ST OCTOBER 1999



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 1999.

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 £ 410,970.

BUSINESS REVIEW

The directors expect that the results for the year ending 31st October 2000 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:

	ORDINARY SHARES OF £1 EACH	
	At the end of the year	At the beginning of the year
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: 15th February 2000

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 1999 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.

15th February 2000

C. & W. BERRY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1999

		1 9 9 9		1 9 9 8	
	NOTES	£	£	£	£
TURNOVER	2		18,210,272		17,941,018
Other operating income			12,666		6,782
			<u>18,222,938</u>		<u>17,947,800</u>
Goods for re-sale			13,651,393		13,697,010
			<u>4,571,545</u>		<u>4,250,790</u>
Staff costs	3	3,027,333		2,821,544	
Depreciation		122,975		104,057	
Other operating charges		827,976	3,978,284	740,535	3,666,136
			<u>593,261</u>		<u>584,654</u>
OPERATING PROFIT	4				
Income from other fixed asset investments			744		713
			<u>594,005</u>		<u>585,367</u>
Interest receivable			365		302
			<u>594,370</u>		<u>585,669</u>
Interest payable	5		36,635		61,611
			<u>557,735</u>		<u>524,058</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION					
Taxation	6		146,765		139,305
			<u>410,970</u>		<u>384,753</u>
PROFIT FOR THE FINANCIAL YEAR					
Retained profit brought forward			3,411,156		3,026,403
RETAINED PROFIT CARRIED FORWARD			<u>3,822,126</u>		<u>3,411,156</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 1999

		1 9 9 9		1 9 9 8	
	NOTES	£	£	£	£
FIXED ASSETS					
Tangible assets	7	2,378,234		2,198,062	
Investments	8	6,814	2,385,048	6,814	2,204,876
CURRENT ASSETS					
Stocks		2,044,525		1,815,939	
Debtors	9	2,888,553		2,682,236	
Cash		4,077		4,858	
		4,937,155		4,503,033	
CREDITORS: amounts falling due within one year	10	2,909,358		2,664,498	
NET CURRENT ASSETS			2,027,797		1,838,535
TOTAL ASSETS LESS CURRENT LIABILITIES			4,412,845		4,043,411
CREDITORS: amounts falling due after more than one year	11	568,219		611,655	
PROVISION FOR LIABILITIES AND CHARGES					
Deferred taxation	13	17,500	585,719	15,600	627,255
NET ASSETS			3,827,126		3,416,156
CAPITAL AND RESERVES					
Called up share capital	14		4,900		4,900
Capital redemption reserve			100		100
Profit and loss account			3,822,126		3,411,156
SHAREHOLDERS' FUNDS	15		3,827,126		3,416,156

Signed on behalf of the board of directors



D.J. BERRY
 Director

Approved by the board: 15th February 2000

C. & W. BERRY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST OCTOBER 1999

	NOTES	1 9 9 9 £	1 9 9 8 £
CASH FLOW STATEMENT			
Net cash inflow from operating activities	19	326,643	462,918
Returns on investments and servicing of finance	20a	(51,109)	(60,379)
Taxation		(136,865)	(116,705)
Capital expenditure and financial investment	20b	(303,147)	(413,023)
		(164,478)	(127,189)
Financing	20c	(30,174)	(27,372)
(Decrease) / increase in cash		(194,652)	(154,561)

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

	1 9 9 9 £	1 9 9 8 £
(Decrease) / increase in cash	(194,652)	(154,561)
Decrease in bank and other loans	30,174	27,372
Change in net funds	(164,478)	(127,189)
Net debt brought forward	(957,467)	(830,278)
Net debt carried forward	(1,121,945)	(957,467)

C. & W. BERRY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST OCTOBER 1999****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

	1999 £	1998 £
Wages and salaries	2,727,934	2,534,433
Social security costs	249,550	244,781
Other pension costs	49,849	42,330
	<hr/>	<hr/>
	3,027,333	2,821,544
	<hr/>	<hr/>

C. & W. BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1999

3. STAFF COSTS (continued)

	1999 Number	1998 Number
Average number of persons employed	185	181

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:

	1999 £	1998 £
Directors' emoluments	163,779	153,679
Directors' money purchase pension scheme contributions	21,000	20,000
Auditors' remuneration	13,245	7,350
Operating lease rentals	13,000	8,000

5. INTEREST PAYABLE

	1999 £	1998 £
On bank overdrafts	12,955	23,597
On loans	23,680	38,014
	36,635	61,611

6. TAXATION

	1999 £	1998 £
Tax attributable to franked investment income	74	143
Corporation tax at 26.2% (1998 - 26.3%)	145,000	137,000
Deferred taxation	1,900	2,600
	146,974	139,743
Prior year adjustment	(209)	(438)
	146,765	139,305

C. & W. BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1999

7. TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Motor Vehicles £	Plant & Equipment £	Total £
Cost:				
At 1st November 1998	2,268,296	437,240	898,101	3,603,637
Additions	139,350	39,530	126,286	305,166
Disposals		(13,010)	(7,000)	(20,010)
At 31st October 1999	2,407,646	463,760	1,017,387	3,888,793
Depreciation:				
At 1 November 1998	445,561	291,374	668,640	1,405,575
Charged in year	20,157	42,226	60,592	122,975
Disposals		(11,034)	(6,957)	(17,991)
At 31st October 1999	465,718	322,566	722,275	1,510,559
Net book value:				
At 31st October 1999	1,941,928	141,194	295,112	2,378,234
At 1st November 1998	1,822,735	145,866	229,461	2,198,062

Included in freehold land and buildings is land amounting to £1,312,415 (1998 - £1,312,415) which has not been depreciated.

8. INVESTMENTS

	£
Unlisted securities:	
At cost at 1st November 1998 and 31st October 1999	6,814

9. DEBTORS

	1999 £	1998 £
Trade debtors	2,813,288	2,613,554
Prepayments	74,463	66,717
Other debtors	802	1,965
	2,888,553	2,682,236

C. & W. BERRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1999

10. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Bank overdrafts (secured per note 12)	514,368	320,497
Trade creditors	1,587,455	1,535,836
Corporation tax	145,000	137,000
Other taxes and social security	310,922	312,515
Directors' current and loan accounts	122,876	132,549
Accruals	210,111	213,152
Other creditors	18,626	12,949
	<u>2,909,358</u>	<u>2,664,498</u>

11. CREDITORS: amounts falling after more than one year

	1999 £	1998 £
Director's loan repayable:		
Between one and five years	120,086	90,130
After five years	205,010	259,775
Other creditors repayable:		
Between one and five years	90,157	67,733
After five years	152,966	194,017
	<u>568,219</u>	<u>611,655</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

	1999 £	1998 £
Accelerated capital allowances	24,700	21,800
Short term timing differences	(7,200)	(6,200)
	<u>17,500</u>	<u>15,600</u>

14. SHARE CAPITAL

	1999 £	1998 £
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 1999****15. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Profit for the financial year	410,970	384,753
Opening shareholders' funds	3,416,156	3,031,403
	<hr/>	<hr/>
Closing shareholders' funds	3,827,126	3,416,156
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16. COMMITMENTS UNDER OPERATING LEASES

At 31st October 1999, the company had annual commitments under non - cancellable operating leases as set out below:-

	1999 £	1998 £
Operating leases which expire:		
In over five years		
Land and buildings	12,000	8,000
	<hr/>	<hr/>

17. CAPITAL COMMITMENTS

	1999 £	1998 £
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 1999	
	Director's loan £	Other creditors £
Falling due within one year	24,809	18,626
Falling due after more than one year	325,096	243,123
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	349,905	261,749
	<hr/>	<hr/>
Accruals	13,864	9,816
	<hr/>	<hr/>

2) Profit and loss account

Interest charged in the year	13,864	9,816
	<hr/>	<hr/>

C. & W. BERRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 1999

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

	1999 £	1998 £
Operating profit	593,261	584,654
Depreciation	122,975	104,057
(Increase) in stocks	(228,586)	(189,364)
(Increase) / decrease in debtors	(206,317)	81,182
Increase / (decrease) in creditors	45,310	(117,611)
	<u>326,643</u>	<u>462,918</u>

20. ANALYSIS OF CASH FLOW GIVEN IN CASH FLOW STATEMENT

a) Returns on investments and servicing of finance

	1999 £	1998 £
Dividends received	744	713
Interest received	365	302
Interest paid	(52,218)	(61,394)
	<u>(51,109)</u>	<u>(60,379)</u>

b) Capital expenditure and financial investment

	1999 £	1998 £
Purchase of fixed assets	(305,166)	(416,223)
Sale of fixed assets	2,019	3,200
	<u>(303,147)</u>	<u>(413,023)</u>

c) Financing

	1999 £	1998 £
Decrease in bank and other loans	(30,174)	(27,372)

21. ANALYSIS OF NET DEBT

	At 1st November 1998 £	Cash flows £	At 31st October 1999 £
Cash in hand	4,858	(781)	4,077
Bank overdrafts	(320,497)	(193,871)	(514,368)
Other loans:			
Due within one year	(30,173)	(13,262)	(43,435)
Due after more than one year	(611,655)	43,436	(568,219)
	<u>(957,467)</u>	<u>(164,478)</u>	<u>(1,121,945)</u>