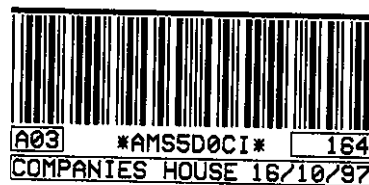


Anderson (Timber Merchants) Limited and Subsidiary Company Number : 1778545

Financial Statements

For the year ended 31 March 1997



Anderson (Timber Merchants) Limited and Subsidiary

Financial Statements

For the year ended 31 March 1997

Index	Pages
Company Information	1
Directors' Report	2-3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7-8
Notes to the Financial Statements	9-19
Detailed Trading and Profit and Loss Account	20

Anderson (Timber Merchants) Limited and Subsidiary

Financial Statements

For the year ended 31 March 1997

Company Information

Company Number: 1778545

Directors: F J Clews
B A Sparkes
B Lloyd

Company Secretary: B A Sparkes

Registered office: Wrinehill Sawmills
Betley
Nr Crewe
Cheshire

Auditors: Neville Russell
Aquis House
Clasketgate
Lincoln
LN2 1JN

Anderson (Timber Merchants) Limited and Subsidiary

Financial Statements

For the year ended 31 March 1997

Directors' Report

The directors present their report and the financial statements for the year ended 31 March 1997.

Statement of 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;
- comply with 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.

Review of the business

The principal activity of the group continues to be the processing and sale of timber.

The group experienced fair trading conditions throughout the year. With an eye to the future the group is diversifying into imported square edged timber. With the general upturn in the economy the group is expecting a further profitable year.

Results and dividends

The results of the group for the year ended 31 March 1997 are set out in the attached financial statements.

An interim dividend of 7.5p on the issued 'A' ordinary share capital amounting to £750 was paid during the year. The directors propose a final dividend of 13.21p per share amounting to £1,321, making a total dividend for the year of 20.71p per share amounting to £2,071. An overprovision in prior years has been utilised giving a net charge of £131.

Anderson (Timber Merchants) Limited and Subsidiary

Financial Statements

For the year ended 31 March 1997

Directors' Report (continued)

Directors

The directors set out below have held office during the whole of the period from 1 April 1996 to the date of this report.

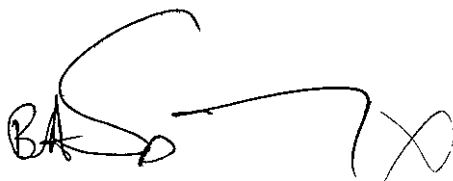
The interests of the directors holding office on 31 March 1997 in the shares of the company according to the Register of Directors' Interests, were as shown below:-

Directors' name	Ordinary shares of £1 each	
	31 March 1997	1 April 1996
	Beneficial interests	Beneficial interests
F J Clews	20,980	20,980
B A Sparkes	9,020	9,020
B Lloyd	-	-

Auditors

Neville Russell have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

Approved by the board on 8 October 1997
and signed on its behalf by



B A Sparkes, Secretary

Wrinehill Sawmills
Betley
Nr Crewe
Cheshire

Auditors' Report to the shareholders of Anderson (Timber Merchants) Limited

We have audited the financial statements on pages 5 to 19 which have been prepared following 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 an 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 affairs of the company and the group as at 31 March 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Neville Russell

Chartered Accountants
and Registered Auditors

Aquis House
Clasketgate
Lincoln
LN2 1JN

Dated: 15 October 1997

Anderson (Timber Merchants) Limited and Subsidiary

Profit and Loss Account

For the year ended 31 March 1997

	Notes	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Turnover	2	1,465,244	1,363,635	-	-
Change in stock and work in progress		9,502	15,138	-	-
		1,474,746	1,378,773	-	-
Raw materials and consumables		(968,815)	(910,076)	-	-
Staff costs	6	(212,343)	(207,280)	-	-
Depreciation		(15,801)	(13,666)	-	-
Other operating charges		(204,948)	(196,162)	-	-
Other operating income		-	-	172	2,488
Operating profit		72,839	51,589	172	2,488
Interest payable and similar charges	4	(41,605)	(40,197)	-	-
Profit on ordinary activities before taxation	3	31,234	11,392	172	2,488
Taxation on profit on ordinary activities	7	(12,869)	(3,359)	(41)	(622)
Profit on ordinary activities after taxation		18,365	8,033	131	1,866
Dividends	8	(131)	(1,866)	(131)	(1,866)
Retained profit for the year	19	18,234	6,167	-	-

The group's turnover and expenses all relate to continuing operations.

The group has no recognised gains or losses other than the profit for the year.

There is no material difference between the profit on ordinary activities before taxation and the retained profit reported in the profit and loss account and the equivalent figures calculated on the historical cost basis.

Anderson (Timber Merchants) Limited and Subsidiary

Balance Sheets at 31 March 1997

	Notes	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	182,127	181,859	-	-
Investments	12	-	-	55,952	55,952
		<u>182,127</u>	<u>181,859</u>	<u>55,952</u>	<u>55,952</u>
Current assets					
Stocks	13	438,547	429,045	-	-
Debtors	14	434,476	452,426	4,288	11,523
Cash at bank and in hand		5	1,358	-	-
		<u>873,028</u>	<u>882,829</u>	<u>4,288</u>	<u>11,523</u>
Creditors - amounts falling due within one year	15	(869,545)	(903,272)	(14,057)	(18,292)
Net current assets/(liabilities)		<u>3,483</u>	<u>(20,443)</u>	<u>(9,769)</u>	<u>(6,769)</u>
Total assets less current liabilities		<u>185,610</u>	<u>161,416</u>	<u>46,183</u>	<u>49,183</u>
Creditors - amounts falling due after more than one year	16	(6,281)	(3,000)	-	(3,000)
Provisions for liabilities and charges	17	(23,550)	(20,871)	-	-
		<u>155,779</u>	<u>137,545</u>	<u>46,183</u>	<u>46,183</u>
Capital and reserves					
Called up share capital	18	40,000	40,000	40,000	40,000
Share premium account	19	5,000	5,000	5,000	5,000
Profit and loss account	19	91,872	73,638	1,183	1,183
Revaluation reserve	19	18,907	18,907	-	-
Shareholders' funds	20	<u>155,779</u>	<u>137,545</u>	<u>46,183</u>	<u>46,183</u>

Approved by the board on 8 October 1997
and signed on its behalf by


F. J. Clews, Director

Anderson (Timber Merchants) Limited and Subsidiary

Consolidated Cash Flow Statement For the year ended 31 March 1997

	1997		1996	
	£	£	£	£
Net cash inflow from operating activities (note 1)		6,072		101,656
Returns on investments and servicing of finance				
Interest paid	(8,628)		(11,488)	
Dividends paid	(1,500)		(750)	
Interest element of hire purchase repayments	(1,235)		(1,107)	
Factoring charges	(31,817)		(27,520)	
Net cash outflow from returns on investments and servicing of finance		(43,180)		(40,865)
Taxation				
UK corporation tax paid	(7,756)		-	
Tax paid		(7,756)		-
Investing activities				
Purchase of tangible fixed assets	(26,732)		(2,997)	
Proceeds from sale of tangible fixed assets	10,950		-	
		(15,782)		(2,997)
Net cash (outflow)/inflow before financing		(60,646)		57,794
Financing				
Repayment of loans	(12,815)		(11,717)	
Capital element of hire purchase repayments	(7,293)		(9,214)	
Inception of hire purchase contracts	15,195		-	
Net cash outflow from financing		(4,913)		(20,931)
(Decrease)/increase in cash and cash equivalents (notes 2 and 3)		(65,559)		36,863

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Cash Flow Statement For the year ended 31 March 1997

	1997 £	1996 £	
1. Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit	72,839	51,589	
Depreciation charges	15,801	13,666	
Increase in stocks	(9,502)	(15,138)	
Decrease/(increase) in debtors	17,976	(110,616)	
(Decrease)/increase in creditors	(90,755)	162,155	
Profit on disposal of tangible fixed assets	(287)	-	
	<hr/>	<hr/>	
Net cash inflow from operating activities	6,072	101,656	
	<hr/>	<hr/>	
2. Analysis of changes in cash and cash equivalents during the year			
	1997 £	1996 £	
Balance at 1 April 1996	1,358	(35,505)	
Net cash (outflow)/inflow	(65,559)	36,863	
	<hr/>	<hr/>	
Balance at 31 March 1997	(64,201)	1,358	
	<hr/>	<hr/>	
3. Analysis of the balances of cash and cash equivalents as shown in the balance sheet			
	1997 £	1996 £	Change in year £
Cash at bank and in hand	5	1,358	(1,353)
Bank overdrafts	(64,206)	-	(64,206)
	<hr/>	<hr/>	<hr/>
	(64,201)	1,358	(65,559)
	<hr/>	<hr/>	<hr/>
4. Analysis of changes in financing during the year			
	Share capital and premium £	Loans £	Hire purchase obligations £
Balance at 1 April 1996	45,000	80,890	3,444
Cash outflow from financing	-	(12,815)	(7,293)
Inception of hire purchase contracts	-	-	15,195
	<hr/>	<hr/>	<hr/>
Balance at 31 March 1997	45,000	68,075	11,346
	<hr/>	<hr/>	<hr/>

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

a. Basis of preparation of group financial statements

The group financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings and plant and machinery. Consolidated financial statements of the company and its subsidiary are made up to 31 March 1997.

The profit of the subsidiary is consolidated from the date of acquisition. The difference between the cost of acquisition of shares in the subsidiary and the amount attributed to the net tangible assets at the effective date of purchase is included as goodwill arising on consolidation.

b. Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

c. Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives. No depreciation is charged on freehold land and buildings, as their estimated residual value is not less than their cost.

d. Stocks

Stocks are stated at the lower of cost and net realisable value.

e. Deferred taxation

The charge for taxation is based on the results for the year, at current rates of tax, and takes into account deferred taxation on all timing differences between the treatment of certain items for accounts purposes and their treatment for corporation tax purposes. Provision has been made to the extent that it is probable that a liability will crystallise in the foreseeable future, and is provided at the rates of tax expected to apply when the timing differences reverse.

f. Pension costs

Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

g. Foreign currencies

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at rates of exchange ruling on the date on which transactions occur. Exceptions to this are monetary assets and liabilities which are translated at the rate ruling at the balance sheet date and transactions to be settled at a contracted rate and trading transactions covered by a relating or matching forward contract which are translated at those contracted rates. Differences arising on the translation of such items are dealt with in the profit and loss account.

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

1. Accounting policies (continued)

h. Goodwill

Goodwill represents the excess of cost of acquisition over the fair value of net tangible assets of the business acquired. Goodwill is written off in equal instalments over its estimated economic life.

i. Finance leases

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

j. Investments

The investment in the subsidiary is shown at cost.

2. Segmental information

The turnover, profit before taxation and net assets are attributable to the principal activity, that of the processing and sale of timber. The group operates in the UK and the whole of its turnover is to the UK market.

3. Profit on ordinary activities before taxation

	Group	
	1997	1996
	£	£
The profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	10,440	9,318
Depreciation of assets held under hire purchase contracts	5,361	4,348
Profit on disposal of tangible fixed assets	(287)	-
Auditors remuneration - audit fee	3,400	3,400
Exchange gains	(6,598)	(6,596)
	<u> </u>	<u> </u>

4. Interest payable and similar charges

	Group	
	1997	1996
	£	£
Bank loans and overdrafts and other loans wholly repayable within 5 years	8,553	11,570
Finance charges - hire purchase contracts	1,235	1,107
Factoring charges	31,817	27,520
	<u> </u>	<u> </u>
	41,605	40,197
	<u> </u>	<u> </u>

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

5. Directors

	Group	
	1997	1996
	£	£
Emoluments		
Management services	63,004	60,927
Pension contributions	15,002	15,003
	<u>78,006</u>	<u>75,930</u>

Two directors have retirement benefits accruing under money purchase pension schemes in respect of qualifying services.

Directors transactions

B Lloyd invoiced the company for accountancy services during the year. The transaction took place on an arms length basis and amounted to £4,305.

6. Staff costs

	Group	
	1997	1996
	£	£
Wages and salaries	182,110	177,307
Social security costs	15,231	14,970
Other pension costs	15,002	15,003
	<u>212,343</u>	<u>207,280</u>

The average number of persons employed by the group (including directors) during the year was as follows:

	1997	1996
	Number	Number
Management	3	3
Administration	2	2
Production	13	13
	<u>18</u>	<u>18</u>

Total employees

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

7. Taxation

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Based on the profit for the year				
UK Corporation tax	10,190	4,756	41	622
Deferred taxation (note 17)	2,679	(1,397)	-	-
	<u>12,869</u>	<u>3,359</u>	<u>41</u>	<u>622</u>

8. Dividends

	Group and company 1997 £	1996 £
"A" ordinary dividends:		
Interim dividend paid of 7.5p (1996 nilp) per share	750	-
Proposed final dividend of 13.21p (1996 18.66p) per share	1,321	1,866
Overprovided in prior years	(1,940)	-
	<u>131</u>	<u>1,866</u>

9. Profit attributable to ordinary shareholders

	Group 1997 £	1996 £
Dealt with in the accounts of the company	131	1,866
Retained by subsidiary undertaking	18,234	6,167
	<u>18,365</u>	<u>8,033</u>

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

10. Intangible fixed assets

	Group 1997 £	Group 1996 £
Goodwill		
Cost		
At 1 April 1996 and At 31 March 1997	58,098	58,098
Amortisation		
At 1 April 1996 and At 31 March 1997	58,098	58,098
Net book values		
At 31 March 1997	-	-
At 31 March 1996	-	-

Goodwill arose on the purchase of Anderson Sawmills Limited and has been amortised over five years. This represented a prudent estimate of the period over which the group would derive economic benefit from the products acquired as part of that business.

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

11. Tangible fixed assets - Group and company

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 1996	108,000	149,572	44,390	301,962
Additions	-	2,537	24,195	26,732
Disposals	-	(11,500)	(12,170)	(23,670)
At 31 March 1997	108,000	140,609	56,415	305,024
Comprising:				
Assets valued in 1985	-	108,055	-	108,055
Assets valued in 1988	108,000	-	-	108,000
Assets at cost	-	32,554	56,415	88,969
At 31 March 1997	108,000	140,609	56,415	305,024
Accumulated depreciation				
At 1 April 1996	-	93,655	26,448	120,103
Charge for the year	-	6,635	9,166	15,801
Eliminated on disposals	-	(6,325)	(6,682)	(13,007)
At 31 March 1997	-	93,965	28,932	122,897
Net book values				
At 31 March 1997	108,000	46,644	27,483	182,127
At 31 March 1996	108,000	55,917	17,942	181,859
Depreciation rates		5-25% straight line	25% reducing balance	

No provision has been made for additional United Kingdom taxation amounting to £8,089 which would arise if the revalued assets were disposed of at their revalued amount. The contingent liability is included in the unprovided deferred taxation set out in note 17.

The net book value of motor vehicles includes an amount of £16,084 (1996 £13,044) in respect of assets held under hire purchase contracts.

Following the revaluation in March 1985, plant and machinery with a historical cost of £281,927 and accumulated depreciation of £216,631 was included at a valuation figure of £119,555. Disposals in the year amounting to £11,500 have reduced the 1985 valuation figure at 31 March 1997 to £108,055.

Following the revaluation in June 1988 freehold land and buildings with a historic cost of £89,093 were included at a valuation figure of £108,000.

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

12. Investments

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Cost and net book value				
Cost of shares in Anderson Sawmills Limited	-	-	55,952	55,952

The company acquired 8,000 ordinary shares in Anderson Sawmills Limited, registered in England and Wales (being 100% of the issued share capital) on 24 July 1987 at a cost of £37,350. Professional fees in relation to the restructure of the group amounting to £18,602 have been included in the cost of the investment.

13. Stocks

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Round timber	89,501	136,029	-	-
Sawn timber	344,214	288,184	-	-
Fuel	1,338	1,338	-	-
Consumable spares	3,494	3,494	-	-
	<u>438,547</u>	<u>429,045</u>	<u>-</u>	<u>-</u>

14. Debtors

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Due within one year:				
Trade debtors	412,285	442,457	-	-
Amounts owed by subsidiary undertaking	-	-	-	7,261
Prepayments and accrued income	17,903	5,707	-	-
ACT recoverable	3,679	3,311	3,679	3,311
	<u>433,867</u>	<u>451,475</u>	<u>3,679</u>	<u>10,572</u>
Due after one year:				
Advance corporation tax	609	951	609	951
	<u>434,476</u>	<u>452,426</u>	<u>4,288</u>	<u>11,523</u>

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

15. Creditors - amounts falling due within one year

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Loan from 3i plc	3,000	6,000	3,000	6,000
Bank loan and overdraft	129,281	71,890	-	-
Other creditors	207,350	294,530	-	-
Obligations under hire purchase contracts	5,065	3,444	-	-
Trade creditors	165,648	191,560	-	-
Bills of exchange payable	266,486	245,786	-	-
Corporation tax	14,324	11,896	41	1,769
Other tax and social security costs	57,392	58,067	-	-
Directors' loan account	2,462	2,462	2,462	2,462
Amount owed to subsidiary undertaking	-	-	1,829	-
Accruals and deferred income	11,812	9,576	-	-
Dividends payable	2,437	3,806	2,437	3,806
ACT payable	4,288	4,255	4,288	4,255
	<u>869,545</u>	<u>903,272</u>	<u>14,057</u>	<u>18,292</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the group and bear interest at market rates. Other creditors of £207,350 (1996 £294,530) are secured on the book debts of the group. Obligations under hire purchase contracts are secured by the related assets.

16. Creditors - amounts falling due after more than one year

	Group 1997 £	Group 1996 £	Company 1997 £	Company 1996 £
Loan from 3i plc	-	3,000	-	3,000
Obligations under hire purchase contracts	6,281	-	-	-
	<u>6,281</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>

Included above are amounts repayable by instalments:

Within five years	<u>6,281</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
-------------------	--------------	--------------	----------	--------------

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

16. Creditors - amounts falling due after more than one year (continued)

Obligations under hire purchase contracts:

	1997	1996	1997	1996
	£	£	£	£
Amounts payable:				
Between one and two years	5,065	-	-	-
Between two and five years	1,216	-	-	-
	<u>6,281</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. Provision for liabilities and charges - deferred taxation

	Group		Group	
	1997	1996	1997	1996
	Amount provided	Amount unprovided	Amount provided	Amount unprovided
	£	£	£	£
Deferred taxation				
Tax effect of timing differences arising on:				
Excess of capital allowances over depreciation	23,550	-	20,871	-
Revaluation of plant and machinery	-	4,119	-	13,565
Revaluation of land and buildings	-	3,970	-	4,727
	<u>23,550</u>	<u>8,089</u>	<u>20,871</u>	<u>18,292</u>

Deferred tax movements

At 1 April 1996	20,871
Charge for year	2,679

At 31 March 1997	<u>23,550</u>
------------------	---------------

No provision has been made in respect of the revaluation of plant and machinery or land and buildings, as these timing differences are not expected to reverse in the foreseeable future.

There is no potential liability to deferred taxation in respect of the parent company.

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

18. Share capital

	Group and company			
	Authorised		Allotted, issued and fully paid	
	1997 £	1996 £	1997 £	1996 £
Ordinary shares of £1 each	30,000	30,000	30,000	30,000
'A' ordinary shares of £1 each	10,000	10,000	10,000	10,000
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>

The holders of "A" ordinary shares have a preference over the ordinary shares to a set amount in respect of dividends and payments on return of capital. The holders of "A" ordinary shares may by a 75% majority convert their holdings into ordinary shares. Otherwise the ordinary shares and "A" ordinary shares rank equally.

19. Reserves

	Revaluation reserve £	Share premium account £	Profit and loss account £	Total £
Group				
At 1 April 1996	18,907	5,000	73,638	97,545
Retained profit for the year	-	-	18,234	18,234
	<u>18,907</u>	<u>5,000</u>	<u>91,872</u>	<u>115,779</u>
At 31 March 1997	18,907	5,000	91,872	115,779
Company				
At 1 April 1996 and at 31 March 1997	-	5,000	1,183	6,183
	<u>-</u>	<u>5,000</u>	<u>1,183</u>	<u>6,183</u>

20. Reconciliation of movements in shareholders funds

	Group	
	1997 £	1996 £
Profit for the year	18,365	8,033
Dividends paid and proposed	(131)	(1,866)
	<u>18,234</u>	<u>6,167</u>
Net addition to shareholders' funds	18,234	6,167
Opening shareholders' funds	137,545	131,378
	<u>155,779</u>	<u>137,545</u>
Closing shareholders' funds	155,779	137,545

Anderson (Timber Merchants) Limited and Subsidiary

Notes to the Financial Statements For the year ended 31 March 1997

21. Pension commitments

The subsidiary undertaking operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,002 (1996 £15,003).

In addition the group is committed to paying £8,500 per annum to the wife of a past director for the remainder of her life. This is unfunded.

22. Related parties - control

Mr F J Clews holds a majority of the ordinary shares.