

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

**Financial Statements**  
**For the year ended 31 March 1996**



# **Anderson (Timber Merchants) Limited and Subsidiary**

## **Financial Statements For the year ended 31 March 1996**

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# **Anderson (Timber Merchants) Limited and Subsidiary**

## **Financial Statements For the year ended 31 March 1996**

### **Company Information**

**Company Number:** 1778545

**Directors:** F J Clews  
B A Sparkes  
B Lloyd

**Company Secretary:** B A Sparkes

**Registered office:** Wrinchill 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 1996**

### **Directors' Report**

The directors present their report and the financial statements for the year ended 31 March 1996.

#### **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 very difficult trading conditions in the second and third quarter of the year, however, these were overcome in the final quarter of the year and this improvement has been sustained after the year end.

#### **Results and dividends**

The results of the group for the year ended 31 March 1996 are set out in the attached financial statements.

The directors propose a final dividend of £1,866 in respect of the year ended 31 March 1996.

# Anderson (Timber Merchants) Limited and Subsidiary

## Financial Statements

For the year ended 31 March 1996

### Directors' Report (continued)

#### Directors

The directors set out below have held office during the whole of the period from 1 April 1995 to the date of this report.


The interests of the directors holding office on 31 March 1996 in the shares of the company according to the Register of Directors' Interests, were as show below:-

Directors' name	Ordinary shares of £1 each	
	31 March 1996	1 April 1995
	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 28 August 1996  
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 18 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 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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**Neville Russell**

**Chartered Accountants**  
and Registered Auditors

Aquis House  
Clasketgate  
Lincoln  
LN2 1JN

Dated: 28 August 1996

# Anderson (Timber Merchants) Limited and Subsidiary

## Profit and Loss Account For the year ended 31 March 1996

	Notes	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
Turnover	2	1,363,635	1,333,662	-	-
Change in stock and work in progress		15,138	145,832	-	-
		<u>1,378,773</u>	<u>1,479,494</u>	-	-
Raw materials and consumables		( 910,076)	( 996,408)	-	-
Staff costs	6	( 207,280)	( 191,653)	-	-
Depreciation		( 13,666)	( 15,872)	-	-
Other operating charges		( 196,162)	( 186,939)	-	-
Other operating income		-	-	2,488	4,587
		<u>51,589</u>	<u>88,622</u>	<u>2,488</u>	<u>4,587</u>
Operating profit					
Interest payable and similar charges	4	( 40,197)	( 33,948)	-	-
		<u>11,392</u>	<u>54,674</u>	<u>2,488</u>	<u>4,587</u>
Profit on ordinary activities before taxation	3				
Taxation on profit on ordinary activities	7	( 3,359)	( 14,016)	( 622)	( 1,147)
		<u>8,033</u>	<u>40,658</u>	<u>1,866</u>	<u>3,440</u>
Profit on ordinary activities after taxation					
Dividends	8	( 1,866)	( 3,440)	( 1,866)	( 3,440)
		<u>6,167</u>	<u>37,218</u>	<u>-</u>	<u>-</u>
Retained profit for the year	19				

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 Sheet at 31 March 1996

	Notes	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
<b>Fixed assets</b>					
Intangible assets	10	-	-	-	-
Tangible assets	11	181,859	192,528	-	-
Investments	12	-	-	55,952	55,952
		<u>181,859</u>	<u>192,528</u>	<u>55,952</u>	<u>55,952</u>
<b>Current assets</b>					
Stocks	13	429,045	413,907	-	-
Debtors	14	452,426	339,904	11,523	14,401
Cash at bank and in hand		1,358	5	-	-
		<u>882,829</u>	<u>753,816</u>	<u>11,523</u>	<u>14,401</u>
<b>Creditors - amounts falling due within one year</b>	15	( 903,272)	(780,256)	( 18,292)	( 15,170)
<b>Net current liabilities</b>		<u>( 20,443)</u>	<u>( 26,440)</u>	<u>( 6,769)</u>	<u>( 769)</u>
<b>Total assets less current liabilities</b>		<b>161,416</b>	<b>166,088</b>	<b>49,183</b>	<b>55,183</b>
<b>Creditors - amounts falling due after more than one year</b>	16	( 3,000)	( 12,442)	( 3,000)	( 9,000)
<b>Provisions for liabilities and charges</b>	17	( 20,871)	( 22,268)	-	-
		<u>137,545</u>	<u>131,378</u>	<u>46,183</u>	<u>46,183</u>
<b>Capital and reserves</b>					
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	73,638	67,471	1,183	1,183
Revaluation reserve	19	18,907	18,907	-	-
<b>Shareholders' funds</b>	20	<u>137,545</u>	<u>131,378</u>	<u>46,183</u>	<u>46,183</u>

Approved by the board on 28 August 1996  
and signed on its behalf by

  
F J Clews, Director



# Anderson (Timber Merchants) Limited and Subsidiary

## Cash Flow Statement For the year ended 31 March 1996

	1996		1995	
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities (note 1)</b>		<b>101,656</b>		<b>( 10,328)</b>
<b>Returns on investments and servicing of finance</b>				
Interest paid	( 11,488)		( 9,272)	
Dividends paid	( 750)		( 2,178)	
Interest element of hire purchase repayments	( 1,107)		( 813)	
Factoring charges	( 27,520)		( 23,863)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>( 40,865)</b>		<b>( 36,126)</b>
<b>Taxation</b>				
UK corporation tax paid	-		( 291)	
<b>Tax paid</b>		<b>-</b>		<b>( 291)</b>
<b>Investing activities</b>				
Purchase of tangible fixed assets	( 2,997)		( 25,437)	
Proceeds from sale of tangible fixed assets	-		3,560	
		<b>( 2,997)</b>		<b>( 21,877)</b>
<b>Net cash inflow/(outflow) before financing</b>		<b>57,794</b>		<b>( 68,622)</b>
<b>Financing</b>				
Repayment of loans	( 11,717)		( 13,971)	
Capital element of hire purchase repayments	( 9,214)		12,658	
<b>Net cash outflow from financing</b>		<b>( 20,931)</b>		<b>( 1,313)</b>
<b>Increase/(decrease) in cash and cash equivalents (notes 2 and 3)</b>		<b>36,863</b>		<b>( 69,935)</b>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Cash Flow Statement For the year ended 31 March 1996

	1996 £	1995 £	
1. <b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit	51,589	88,622	
Depreciation charges	13,666	15,872	
Increase in stocks	( 15,138)	( 145,832)	
(Increase)/decrease in debtors	(110,616)	31,407	
Increase/(decrease) in creditors	162,155	( 2,315)	
Loss on disposal of motor vehicles	-	1,918	
	<hr/>	<hr/>	
Net cash inflow/(outflow) from operating activities	101,656	( 10,328)	
	<hr/>	<hr/>	
2. <b>Analysis of changes in cash and cash equivalents during the year</b>			
	1996 £	1995 £	
Balance at 1 April 1995	( 35,505)	34,430	
Net cash inflow/(outflow)	36,863	( 69,935)	
	<hr/>	<hr/>	
Balance at 31 March 1996	1,358	( 35,505)	
	<hr/>	<hr/>	
3. <b>Analysis of the balances of cash and cash equivalents as shown in the balance sheet</b>			
	1996 £	1995 £	Change in year £
Cash at bank and in hand	1,358	5	1,353
Bank overdrafts	-	( 35,510)	35,510
	<hr/>	<hr/>	<hr/>
	1,358	( 35,505)	36,863

## **Anderson (Timber Merchants) Limited and Subsidiary**

### **Notes to the Financial Statements For the year ended 31 March 1996**

#### **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 1996.

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 1996

### 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. 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	
	1996	1995
	£	£
The profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	9,318	10,074
Depreciation of assets held under hire purchase contracts	4,348	5,798
Loss on disposal of motor vehicles	-	1,918
Auditors remuneration - audit fee	3,400	3,400
Exchange (gains)/losses	( 6,596)	14,316
	<u>          </u>	<u>          </u>

### 4. Interest payable and similar charges

	Group	
	1996	1995
	£	£
Bank loans and overdrafts and other loans wholly repayable within 5 years	11,570	9,272
Finance charges - hire purchase contracts	1,107	813
Factoring charges	27,520	23,863
	<u>          </u>	<u>          </u>
	40,197	33,948
	<u>          </u>	<u>          </u>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 5. Directors

	<b>Group</b>	
	<b>1996</b>	<b>1995</b>
	£	£
Emoluments		
Management services	<b>60,927</b>	58,128
Pension contributions	<b>15,003</b>	6,000
	<hr/>	<hr/>
	<b>75,930</b>	64,128
	<hr/>	<hr/>

The emoluments of directors disclosed above (excluding pensions and pension contributions) included amounts paid to:

	£	£
The chairman and highest paid director	<b>36,536</b>	33,984
	<hr/>	<hr/>

The number of other directors who received emoluments (excluding pensions and pension contributions) in the following ranges were:-

	<b>Number</b>	<b>Number</b>
£NIL to £5,000	<b>1</b>	1
£20,001 to £25,000	<b>1</b>	1
	<hr/>	<hr/>

### 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 £3,525.

### 6. Staff costs

	<b>Group</b>	
	<b>1996</b>	<b>1995</b>
	£	£
Wages and salaries	<b>177,307</b>	169,213
Social security costs	<b>14,970</b>	16,440
Other pension costs	<b>15,003</b>	6,000
	<hr/>	<hr/>
	<b>207,280</b>	191,653
	<hr/>	<hr/>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 6. Staff costs (continued)

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

	1996 Number	1995 Number
Management	3	3
Administration	2	2
Production	13	12
	<hr/>	<hr/>
Total employees	18	17
	<hr/>	<hr/>

### 7. Taxation

	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
Based on the profit for the year				
UK Corporation tax @ 25% (1995 25%)	4,756	7,141	622	1,147
Deferred taxation (note 17)	( 1,397)	6,875	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	3,359	14,016	622	1,147
	<hr/>	<hr/>	<hr/>	<hr/>

### 8. Dividends

	Group and company 1996 £	1995 £
"A" ordinary dividends:		
Interim dividend paid of nil (1995 7.5p) per share	-	750
Proposed final dividend of 18.66p (1995 26.9p) per share	1,866	2,690
	<hr/>	<hr/>
	1,866	3,440
	<hr/>	<hr/>

### 9. Profit attributable to ordinary shareholders

	Group 1996 £	1995 £
Dealt with in the accounts of the company	1,866	3,440
Retained by subsidiary undertaking	6,167	37,218
	<hr/>	<hr/>
Total profit for the year	8,033	40,658
	<hr/>	<hr/>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 10. Intangible fixed assets

	Group 1996 £	Group 1995 £
<b>Goodwill</b>		
<b>Cost</b>		
At 1 April 1995 and at 31 March 1996	58,098	58,098
<b>Amortisation</b>		
At 1 April 1995 and at 31 March 1996	58,098	58,098
<b>Net book values</b>		
At 31 March 1996	-	-
At 31 March 1995	-	-

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 1996

### 11. Tangible fixed assets - Group and company

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 1995	108,000	149,805	44,390	302,195
Additions	-	1,572	1,425	2,997
Disposals	-	( 1,805)	( 1,425)	( 3,230)
<b>At 31 March 1996</b>	<b>108,000</b>	<b>149,572</b>	<b>44,390</b>	<b>301,962</b>
Assets valued in 1985	-	119,555	-	119,555
Assets valued in 1988	108,000	-	-	108,000
Assets at cost	-	30,017	44,390	74,407
	108,000	149,572	44,390	301,962
<b>Accumulated depreciation</b>				
At 1 April 1995	-	87,778	21,889	109,667
Charge for the year	-	7,682	5,984	13,666
Eliminated on disposals	-	( 1,805)	( 1,425)	( 3,230)
<b>At 31 March 1996</b>	<b>-</b>	<b>93,655</b>	<b>26,448</b>	<b>120,103</b>
<b>Net book values</b>				
<b>At 31 March 1996</b>	<b>108,000</b>	<b>55,917</b>	<b>17,942</b>	<b>181,859</b>
At 31 March 1995	108,000	62,027	22,501	192,528
Depreciation rates		5% to 25% straight line	25% reducing balance	

No provision has been made for additional taxation 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 £13,044 (1995 £17,392) 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.

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 1996

### 12. Investments

	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
<b>Cost and net book value</b>				
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 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
Round timber	136,029	135,726	-	-
Sawn timber	288,184	273,349	-	-
Fuel	1,338	1,338	-	-
Consumable spares	3,494	3,494	-	-
	<u>429,045</u>	<u>413,907</u>	<u>-</u>	<u>-</u>

### 14. Debtors

	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
<b>Due within one year</b>				
Trade debtors	442,457	330,591	-	-
Amounts owed by subsidiary undertaking	-	-	7,261	12,045
Prepayments and accrued income	5,707	6,957	-	-
Taxation	3,311	1,684	3,311	1,684
	<u>451,475</u>	<u>339,232</u>	<u>10,572</u>	<u>13,729</u>
<b>Due after one year</b>				
Advance corporation tax	951	672	951	672
	<u>452,426</u>	<u>339,904</u>	<u>11,523</u>	<u>14,401</u>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 15. Creditors - amounts falling due within one year

	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
Loan from 3i plc	6,000	6,000	6,000	6,000
Bank loan and overdraft	71,890	113,117	-	-
Other creditors	294,530	156,147	-	-
Obligations under hire purchase contracts	3,444	9,216	-	-
Trade creditors	191,560	188,385	-	-
Bills of exchange payable	245,786	241,327	-	-
Corporation tax	11,896	5,701	1,769	229
Other tax and social security costs	58,067	45,946	-	-
Directors' loan account	2,462	2,462	2,462	2,462
Accruals and deferred income	9,576	5,476	-	-
Dividends payable	3,806	2,690	3,806	2,690
ACT payable	4,255	3,789	4,255	3,789
	<u>903,272</u>	<u>780,256</u>	<u>18,292</u>	<u>15,170</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 £294,530 (1995 £156,147) are secured on the book debts of the group. Obligations under hire purchase contracts are secured by the related assets. Included in dividends payable is an amount of £3,440 due to the "A" ordinary shareholders, which fell due to be paid in the year to 31 March 1996.

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

	Group 1996 £	Group 1995 £	Company 1996 £	Company 1995 £
Loan from 3i plc	3,000	9,000	3,000	9,000
Obligations under hire purchase contracts	-	3,442	-	-
	<u>3,000</u>	<u>12,442</u>	<u>3,000</u>	<u>9,000</u>
Included above are amounts repayable by instalments:				
Within five years	<u>3,000</u>	<u>12,442</u>	<u>3,000</u>	<u>9,000</u>

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 17. Provision for liabilities and charges - deferred taxation

	Group			
	1996		1995	
	Amount provided £	Amount unprovided £	Amount provided £	Amount unprovided £
<b>Deferred taxation</b>				
Tax effect on timing differences arising on:				
Excess of capital allowances over depreciation	20,871	-	22,268	-
Revaluation of plant and machinery	-	13,565	-	13,565
Revaluation of land and buildings	-	4,727	-	4,727
	<u>20,871</u>	<u>18,292</u>	<u>22,268</u>	<u>18,292</u>
Deferred tax movements				£
At 1 April 1995				22,268
Credit for year				( 1,397)
<b>At 31 March 1996</b>				<u><u>20,871</u></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.

### 18. Share capital

	Group and company			
	Authorised		Allotted, issued and fully paid	
	1996 £	1995 £	1996 £	1995 £
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.

# Anderson (Timber Merchants) Limited and Subsidiary

## Notes to the Financial Statements For the year ended 31 March 1996

### 19. Reserves

	Revaluation reserve £	Share premium account £	Profit and loss account £	Total £
<b>Group</b>				
At 1 April 1995	18,907	5,000	67,471	91,378
Retained profit for the year	-	-	6,167	6,167
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 1996</b>	<b>18,907</b>	<b>5,000</b>	<b>73,638</b>	<b>97,545</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Company</b>				
At 1 April 1995 and at 31 March 1996	-	5,000	1,183	6,183
	<hr/>	<hr/>	<hr/>	<hr/>

### 20. Reconciliation of movements in shareholders funds

	Group	
	1996 £	1995 £
Profit for the year	8,033	40,658
Dividends paid and proposed	( 1,866)	( 3,440)
	<hr/>	<hr/>
Net addition to shareholders' funds	6,167	37,218
Opening shareholders' funds	131,378	94,160
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>137,545</b>	<b>131,378</b>
	<hr/>	<hr/>

### 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 £15,003 (1995 £6,000).

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