

William T. Eden Limited  
Report and Financial Statements  
for the year ended 31 March 2001

Registered Number 2111202



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for the year ended 31 March 2001  
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# **William T. Eden Limited**

## **Directors and Advisors for the year ended 31 March 2001**

### **Directors**

C Webb  
A W Ewers  
D C Port  
P J Chambers

### **Secretary**

J L Hunter

### **Auditors**

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **Solicitors**

Pinsent Curtis  
1 Park Row  
Leeds  
LS1 5AB

### **Bankers**

National Westminster Bank Plc  
Leeds Major Corporate Office  
PO Box No 183  
8 Park Row  
Leeds  
LS1 1QT

### **Registered Office**

PO Box 3  
Rippleway Wharf  
River Road  
Barking  
Essex  
IG11 ODU

### **Registered Number**

2111202

# **William T. Eden Limited**

## **Directors' report for the year ended 31 March 2001**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2001. Comparative results are stated for the 15 month period ended 31 March 2000.

### **Principal activities**

The principal activities of the Company are those of importing and distributing wood based panels and other timber products.

### **Review of business and future developments**

During the year the two northern depots transferred to a fellow subsidiary, Montague L. Meyer Limited. Further expansion of the southern depots was achieved with the relocation of the Luton depot and Norwich depot to larger premises. Despite depressed market prices in some core products the Company achieved an operating profit in the year of £1,674,252 against a profit of £2,574,605 for the 15 month period to March 2000. This profit is stated after exceptional net costs in the year of £450,408 as stated in note 2 to the financial statements.

### **Results and dividends**

The Company's profit for the financial year is £166,109. An interim dividend of £873,919 (2000: £Nil) was paid during the year. No final dividend has been proposed.

### **Directors and their interests**

The directors who held office during the year are given below:

C Webb  
A W Ewers – appointed 24 January 2001  
D C Port  
P J Chambers  
P A Betts – resigned 30 March 2001  
C F Simpson – resigned 24 January 2001  
J L Hunter – resigned 24 January 2001  
P M Glover – resigned 24 January 2001

None of the above have any interest in the shares of the company. C Webb, D C Port, P J Chambers and A W Ewers have an interest in the shares of Sylvan International Limited, the ultimate holding company, and these interests are shown in the accounts of that company.

### **Charitable and political donations**

The Company contributed £491 (2000: £nil) to charities during the year. There were no political donations.

# William T. Eden Limited

## 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 the affairs of the company and of the Group at the end of the year and of the profit or loss for the 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
- state whether applicable accounting standards have been followed, 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 and the Group will continue in business

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. The directors also have general responsibility for taking reasonable steps to safeguard the assets of the company and the Group and to prevent and detect fraud and other irregularities.

## Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

## By order of the Board



Mrs J L Hunter  
Secretary  
31 July 2001

# **William T. Eden Limited**

## **Auditors' report to the members of William T. Eden Limited**

We have audited the financial statements on pages 5 to 17.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

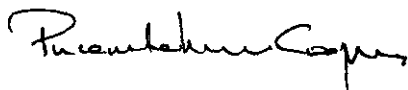
### **Basis of audit opinion**

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 at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

**Chartered Accountants and Registered Auditors**

Leeds

31 July 2001

# William T. Eden Limited

## Profit and loss account for the year ended 31 March 2001

	Note	Year ended 31 March 2001	15 months ended 31 March 2000 (as re-stated)*
		£	£
Turnover	1	32,050,334	45,361,369
Cost of sales		(24,593,759)	(35,267,499)
Gross profit		7,456,575	10,093,870
Distribution costs		(1,980,174)	(2,547,953)
Administrative expenses	2	(3,802,149)	(4,971,312)
<b>Operating profit</b>	2	<b>1,674,252</b>	<b>2,574,605</b>
Interest receivable		19,006	-
Interest payable and similar charges	4	(307,706)	(354,115)
<b>Profit on ordinary activities before interest and taxation</b>		<b>1,385,552</b>	<b>2,220,490</b>
Tax on profit on ordinary activities	5	(345,524)	(703,852)
<b>Profit on ordinary activities after taxation</b>		<b>1,040,028</b>	<b>1,516,638</b>
Equity dividends	6	(873,919)	(76,001)
<b>Retained profit for the financial year</b>	15	<b>166,109</b>	<b>1,440,637</b>

\* Costs and expenses have been re-classified for the comparative period ended 31 March 2000 in accordance with Group policy.

The results shown above derive from continuing operations.

There is no material difference between the results shown above and the results of the company under the historical cost convention.

There are no recognised gains or losses other than the profit as reported above.

# William T. Eden Limited

## Balance sheet as at 31 March 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	7	2,360,674	2,919,901
<b>Current assets</b>			
Stock	8	3,463,906	3,419,790
Debtors	9	9,280,573	9,847,752
Cash at bank and in hand		905,251	6,215
		13,649,730	13,273,757
<b>Creditors: amounts falling due within one year</b>	10	(8,634,665)	(9,179,815)
<b>Net current assets</b>		5,015,065	4,093,942
<b>Total assets less current liabilities</b>		7,375,739	7,013,843
<b>Creditors : amounts falling due after more than one year</b>	11	(249,963)	(205,117)
<b>Provisions for liabilities and charges</b>	12	(182,733)	(31,792)
<b>Net assets</b>		6,943,043	6,776,934
<b>Capital and reserves</b>			
Called up share capital	13	1,052,400	1,052,400
Share premium account	14	1,650	1,650
Revaluation reserve	15	725,553	721,016
Profit and loss account	15	5,163,440	5,001,868
<b>Total equity shareholders' funds</b>	16	6,943,043	6,776,934

Signed on behalf of the Board:

C Webb

Director

31 July 2001

A W Ewers

Director



# William T. Eden Limited

## Accounting policies

The summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below. Comparative figures are stated for the 15 month period ended 31 March 2000.

### a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold properties and in accordance with applicable accounting standards.

### b) Depreciation

Depreciation is provided so as to write off the cost or valuation of assets, less the estimated residual value, over their expected useful lives. The company has taken advantage of the transitional arrangements of Financial Reporting Standard 15 ("Tangible Fixed Assets") and has opted to retain previously revalued amounts alongside historical cost.

Depreciation is not provided on freehold or leasehold land. On other tangible fixed assets depreciation is charged at the following rates:

Freehold and long leasehold buildings	- 2% straight line
Short leasehold improvements	- Over the life of the lease
Plant and equipment	- 10% - 33% straight line
Motor vehicles	- 20% - 33% straight line
Office equipment and fixtures	- 10% - 33% straight line

### c) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition includes the cost of direct materials and labour, plus a reasonable proportion of manufacturing overheads, based on normal levels of activity. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

### d) Deferred taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided to the extent that the directors expect that it may become payable within the foreseeable future. Deferred tax is only provided on timing differences which, in the opinion of the directors, are not expected to reverse. The amount of all deferred tax, including any amounts not provided, is shown in note 13.

### e) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the period end to the extent that there is no previously arranged formal exchange contract with an agreed rate of exchange. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

## **William T. Eden Limited**

### **f) Leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the contracts. The asset is depreciated over its useful economic life. The excess of the payments over the recorded contract obligations are treated as finance charges which are amortised over each contract term to give a constant rate of charge on the remaining balance of the obligation.

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **f) Pension costs**

The expected cost of providing pensions, as calculated periodically by professional qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

# William T. Eden Limited

## Notes to the financial statements for the year ended 31 March 2001

### 1 Turnover

The whole of turnover originates in and is destined for customers in the United Kingdom.

### 2 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging		
Depreciation of tangible fixed assets		
- Own assets	142,430	160,030
- Assets held under finance leases	136,708	159,456
Operating leases rentals		
- Plant and machinery	163,553	192,736
- Other operating leases	698,190	479,488
Auditors remuneration:		
Audit work	18,000	20,000
Exceptional costs included within administration expenses are as follows:		
Systems implementation	130,872	-
Redundancy and reorganisation costs	176,647	-
Vacant property lease costs	255,055	-
Profit on sale of tangible fixed assets	(112,166)	-
	450,408	-

# William T. Eden Limited

## 3 Staff costs

The average monthly number of persons employed by the Company during the year was:

	2001	2000
Office and management	96	113
Yard and distribution	71	78
	167	191

	2001 £	2000 £
<b>Directors remuneration</b>		
Aggregate emoluments	221,839	394,786
Compensation for loss of office (highest paid director)	68,679	-
Remuneration of the highest paid director (excluding loss of office)	74,376	103,507

During the year the company paid pension contributions in respect of the participation of 4 directors (2000: 4) in the final salary pension scheme.

At 31 March 2001 the accrued pension benefit and accrued lump sum of the highest paid director was £nil (2000: £12,941) and £nil (2000: £2,161) respectively.

Employee cost during the period:	2001 £	2000 £
Wages and salaries	2,684,649	3,643,640
Social security costs	213,748	312,665
Other pensions costs (see note 17)	18,371	259,008
<b>Staff costs</b>	<b>2,916,768</b>	<b>4,215,313</b>

# William T. Eden Limited

## 4 Interest payable and similar charges

	2001	2000
	£	£
Bank loans and overdrafts	-	5,086
Other loans	-	22,395
Finance lease interest	30,603	37,513
Discounting interest	277,103	289,121
Interest payable	307,706	354,115

## 5 Tax on profit on ordinary activities

	2001	2000
	£	£
Taxation on the profit for the year		
UK corporation tax at 30.0% (2000: 30.2%)	368,965	713,060
Deferred taxation	(4,356)	(9,208)
Adjustment in respect of prior years:		
- corporation tax	(18,729)	-
- deferred tax	5,297	-
Irrecoverable ACT	(5,653)	-
	345,524	703,852

## 6 Equity dividends

	2001	2000
	£	£
Interim dividend paid: 8.304p per share (2000 proposed: 0.722p per share)	873,919	76,001

# William T. Eden Limited

## 7 Tangible assets

	Land and buildings		Plant and equipment	Motor vehicles	Fixtures and fittings	Total
	Freehold	Leasehold				
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 April 2000	1,988,437	301,269	425,390	925,283	380,549	4,020,928
Additions	20,800	59,736	103,918	231,230	135,288	550,972
Disposals	(335,000)	(253,008)	(32,355)	(28,541)	(27,606)	(676,510)
Group transfers	-	(10,249)	(84,368)	(146,795)	(318,254)	(559,666)
<b>At 31 March 2001</b>	<b>1,674,237</b>	<b>97,748</b>	<b>412,585</b>	<b>981,177</b>	<b>169,977</b>	<b>3,335,724</b>
At valuation	1,620,000	-	-	-	-	1,620,000
At cost	54,237	97,748	412,585	981,177	169,977	1,715,724
	<b>1,674,237</b>	<b>97,748</b>	<b>412,585</b>	<b>981,177</b>	<b>169,977</b>	<b>3,335,724</b>
<b>Depreciation</b>						
At 1 April 2000	29,608	22,125	207,502	591,862	249,930	1,101,027
Charge for the period	25,515	8,451	37,344	136,708	71,120	279,138
Disposals	(8,028)	(11,303)	(27,549)	(28,541)	(24,667)	(100,088)
Group transfers	-	(1,350)	(31,494)	(108,582)	(163,601)	(305,027)
<b>At 31 March 2001</b>	<b>47,095</b>	<b>17,923</b>	<b>185,803</b>	<b>591,447</b>	<b>132,782</b>	<b>975,050</b>
<b>Net book amount</b>						
<b>At 31 March 2001</b>	<b>1,627,142</b>	<b>79,825</b>	<b>226,782</b>	<b>389,730</b>	<b>37,195</b>	<b>2,360,674</b>
At 31 March 2000	1,958,829	279,144	217,888	333,421	130,619	2,919,901
<b>Comparable amounts determined under the historical cost convention:</b>						
Cost	1,053,514	97,748	412,585	981,177	169,977	2,715,001
Depreciation	(151,925)	(17,923)	(185,803)	(591,447)	(132,782)	(1,079,880)
<b>At 31 March 2001</b>	<b>901,589</b>	<b>79,825</b>	<b>226,782</b>	<b>389,730</b>	<b>37,195</b>	<b>1,635,121</b>
At 31 March 2000	1,224,542	292,416	217,888	333,421	130,619	2,198,886

## William T. Eden Limited

Included within leasehold land and buildings is £79,825 (2000: £45,144) net book value in respect of short leases. The net book value of freehold land is £755,000 (2000: £860,000) and £nil (2000: £nil) in respect of leasehold land. The net book value includes £389,730 (2000: £333,421) within motor vehicles and £nil (2000: £4,684) within plant and equipment in respect of assets held under finance leases and hire purchase contracts.

The freehold and long leasehold properties were valued by HBSV Limited, Chartered Surveyors, acting as independent valuers. The properties were valued as at 31 December 1998, on the basis of their existing use value and valued in accordance with the Practice Statements of the RICS Appraisal and Valuation Manual. The revaluation at £2,195,000 has been incorporated in these accounts.

### 8 Stocks

	2001	2000
	£	£
Finished goods and goods for resale	3,463,906	3,419,790

### 9 Debtors

	2001	2000
	£	£
Trade debtors	5,478,875	7,247,692
Amounts owed by group undertakings	2,990,017	1,709,010
Other debtors	55,312	341,656
Prepayments and accrued income	756,369	549,394
	9,280,573	9,847,752

# William T. Eden Limited

## 10 Creditors – Amounts falling due within one year

	2001 £	2000 £
Bank overdraft	-	34,328
Amounts advanced under discounting facility	3,711,243	2,333,252
Obligations under finance leases	117,135	121,417
Trade creditors	3,038,018	3,702,348
Amounts owed to group undertakings	455,544	1,137,761
Corporation tax	3,152	343,756
Other taxes and social security	581,683	887,061
Other creditors	221,432	221,898
Pension liability	-	22,000
Accruals and deferred income	506,458	299,993
Dividend payable	-	76,001
	8,634,665	9,179,815

The discounting facility has full recourse to the Company and is secured on trade debtors.

## 11 Creditors – Amounts falling due after more than one year

	2001 £	2000 £
Obligations under finance leases repayable:		
between one and two years	124,713	110,418
between two and five years	125,250	94,699
	249,963	205,117



# William T. Eden Limited

## 12 Provisions for liabilities and charges

	1 April 2000	Charged to profit and loss account	31 March 2001
	£	£	£
Deferred taxation	31,792	941	32,733
Vacated property lease	-	150,000	150,000
	31,792	150,941	182,733

	2001 Not provided £	2000 Not provided £
Deferred tax	Provided £	Provided £
Capital allowances in excess of depreciation	39,333	-
Short term timing differences	(6,600)	-
Revaluation of properties	-	26,000
	32,733	26,000

Deferred tax has not been provided for on the revalued properties because, in the opinion of the Directors, the company does not expect a liability to arise if the property were sold.

The provision for vacated property lease costs relates to the estimated likely future costs to fulfil lease obligations for a property no longer occupied for trading purposes.

## 13 Called up share capital

	2001 £	2000 £
<b>Authorised</b>		
11,500,000 ordinary shares of 10p each	1,150,000	1,150,000
<b>Allotted and fully paid</b>		
10,524,000 ordinary shares of 10p each	1,052,400	1,052,400

## 14 Share premium account

	2001 £	2000 £
Equity shares issued	1,650	1,650

# William T. Eden Limited

## 15 Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 31 March 2000	721,016	5,001,868
Profit retained for the year	-	166,109
Transfer of revalued cost depreciation	(3,314)	3,314
Transfers	7,851	(7,851)
<b>Balance at 31 March 2001</b>	<b>725,553</b>	<b>5,163,440</b>

## 16 Reconciliation of movements in equity shareholders' funds

	2001	2000
	£	£
Profit for the financial year	1,040,028	1,516,638
Dividends	(873,919)	(76,001)
Net increase in equity shareholders' funds	166,109	1,440,637
Opening equity shareholders' funds	6,776,934	5,336,297
Closing equity shareholders' funds	6,943,043	6,776,934

## 17 Pensions

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested in pooled pension funds. The contributions are determined by a qualified actuary on the basis of valuations using the project unit method. The most recent valuation was a valuation dated 31 December 1999. The assumptions that have the most significant effect on the result of the valuation are those relating to the rates of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 8% per annum, that salary increases would average 6% per annum and that present and future pensions would increase at the rate of 5% per annum.

The actuarial valuation as at 31 December 1999 showed that the market value of the scheme's assets was £2 million and that the actuarial value of those assets represented 82% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The employer contribution for the year ended 31 March 2001 amounted to £147,371 while the amount charged to the profit and loss account was £18,371. As a result a pension accrual of £22,000 in the balance sheet at 31 March 2000 is no longer required and a prepayment is included in the balance sheet at 31 March 2001 of £107,000.

# William T. Eden Limited

## 18 Guarantees and other financial commitments

### Capital commitments

There was £13,900 authorised and contracted for (2000: nil).

### Contingent liabilities

The Company has made duty deferment guarantees and bonds with HM Customs & Excise of £200,000 (2000: £600,000).

### Guarantees in respect of Group borrowings

The Company and certain of its fellow group undertakings within the Sylvan International Limited group have given the bank and its affiliated invoice discounting company unlimited multilateral guarantees secured over assets against bank and invoice discounting indebtedness of the Sylvan International Limited group. At 31 March 2001 the total of the indebtedness under the guarantees was £41,601,000 (2000: £41,607,000) of which £2,810,798 (2000: £2,367,580) is included within these financial statements.

### Lease commitments

The minimum annual rentals under non-cancellable operating leases are as follows:

	2001	2001	2000	2000
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Leases which expire:				
Within one year	-	20,166	-	12,176
Between one and two years	-	93,451	-	13,584
Between two and five years	-	144,437	-	128,429
Over five years	539,950	-	431,710	-
	539,950	258,054	431,710	154,189

## 19 Related party transactions

The company has taken advantage of the exemption in FRS8 ("Related Party Disclosures") from the disclosure of transactions with entities that are part of the group on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the group are publicly available.

## 20 Ultimate parent company

The intermediate parent company is MLM Distribution Limited, incorporated in the UK. The directors consider that Sylvan International Limited is the ultimate parent undertaking and controlling party of William T. Eden Limited. They consider that the majority of shares in that company are held by Alchemy Partners Nominees Limited on behalf of Alchemy (Guernsey) Limited, the plan manager of the Alchemy Investment Plan.