

HOLDEN TIMBER LIMITED

Company Number: 2729340

FINANCIAL STATEMENTS

For the year ended 31 March 1999



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HOLDEN TIMBER LIMITED

DIRECTORS AND ADVISERS

R M Holden
D J Maskey
S L Padmore
N J Burton

SECRETARY

S L Padmore

REGISTERED OFFICE

Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

AUDITORS

Ensors
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

BANKERS

Midland Bank plc
20 Market Place
Stowmarket
IP14 1DW

HOLDEN TIMBER LIMITED

DIRECTORS' REPORT

The directors present the financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY

The company's principal activity during the year was the supply of timber and related products to the building trade.

REVIEW OF BUSINESS

The results for the year show a considerable increase in both turnover and profit on the previous year. During the year there was a management buyout of the remaining shares, which resulted in an increase in professional fees and other costs. The directors are confident that there will be an increase in the level of activity in the current year, which in turn will lead to a further increase in turnover and profits.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £ 49,569 (1998: £12,423).

The directors have recommended a proposed dividend of £35,000 (1998: £Nil). The profit transferred to reserves is £14,569 (1998: £12,423).

DIRECTORS AND THEIR INTERESTS

The directors of the company at 31 March 1999, unless otherwise stated, and their interests at 31 March 1999 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:-

		<u>Ordinary Shares of £1 each</u>	
		<u>1999</u>	<u>1998</u>
		£	£
B H A Geijer	(resigned 2 October 1998)	-	-
N G P Geijer	(resigned 2 October 1998)	-	-
R M Holden			
- ordinary shares		7,500	1,000
- 'A' shares		-	500
J S Holden	(resigned 1 January 1999)	-	-
S Di Cataldo	(resigned 2 October 1998)	-	-
D J Maskey	(appointed 1 January 1999)	-	-
S L Padmore	(appointed 1 January 1999)	-	-
N J Burton	(appointed 1 January 1999)	-	-

HOLDEN TIMBER LIMITED

DIRECTORS' REPORT (Continued)

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 as at the end of the financial year and of the profit or loss of the company for that period. 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.

YEAR 2000

The directors recognise that systems operating within the company and systems operated by suppliers and other parties with whom the company has a business relationship may fail as a result of problems arising from the date change at the millennium.

These system failures could potentially result in significant cost to the company if no action is taken.

The directors are currently assessing the risks to the company and taking action to deal with the key risks which are identified.

EURO

The directors consider that the Euro will not have a significant effect on the company.

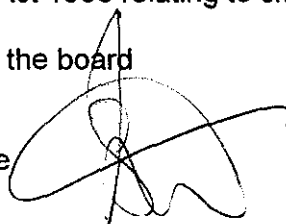
AUDITORS

A resolution to appoint Messrs Ensors as auditors will be proposed at the forthcoming Annual General Meeting.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

S L Padmore
Secretary



22 SEPTEMBER 1999

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
HOLDEN TIMBER LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 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 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 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

E. W. S. S.

E. W. S. S.

Chartered Accountants
Registered Auditor

Ipswich

22 SEPTEMBER 1999

HOLDEN TIMBER LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31 March 1999**

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
<u>TURNOVER</u>	2	1,600,612	1,558,830
Cost of sales		1,044,933	1,085,302
<u>GROSS PROFIT</u>		555,679	473,528
Operating expenses			
Selling and distribution		206,875	184,161
Administration		260,006	243,849
<u>OPERATING PROFIT</u>	3	88,798	45,518
Interest receivable and similar income		(135)	(358)
Interest payable and similar charges		25,764	27,604
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		63,169	18,272
Taxation on profit on ordinary activities		13,600	5,849
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		49,569	12,423
Dividend proposed	4	35,000	-
<u>PROFITS FOR THE FINANCIAL YEAR</u>		14,569	12,423
Retained profits at 1 April 1998		147,932	135,509
<u>RETAINED PROFITS AT 31 MARCH 1999</u>		162,501	147,932

The above results arose from the continuing activities of the company and are prepared on the historical cost basis. There were no recognised gains or losses other than the results shown above.

The notes on pages 7 to 13 form part of these financial statements.

HOLDEN TIMBER LIMITED

BALANCE SHEET

As at 31 March 1999

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
<u>FIXED ASSETS</u>			
Tangible assets	5	180,578	149,251
Investments	6	20,000	-
		<u>200,578</u>	<u>149,251</u>
<u>CURRENT ASSETS</u>			
Stock	7	149,115	162,231
Debtors	8	302,099	321,047
Cash at bank and in hand		86,078	11,583
		<u>537,292</u>	<u>494,861</u>
<u>CREDITORS: amounts falling due within one year</u>	9	<u>559,573</u>	<u>486,180</u>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>		<u>(22,281)</u>	<u>8,681</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>178,297</u>	<u>157,932</u>
<u>CREDITORS: amounts falling due after more than one year</u>	10	<u>(5,796)</u>	<u>-</u>
		<u>172,501</u>	<u>157,932</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	11	10,000	10,000
Profit and loss account		<u>162,501</u>	<u>147,932</u>
<u>SHAREHOLDERS' FUNDS</u> – wholly equity interests	13	<u>172,501</u>	<u>157,932</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

R M Holden

)
) Director
)

Approved by the board

22 September 1999

The notes on pages 7 to 13 form part of these financial statements.

HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention. The principal accounting policies of the company are set out below:

Tangible Fixed Assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Provision for depreciation is made so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned. The principal annual rates used for this purpose are:-

	%
Plant and machinery	20
Furniture, fixtures and fittings	15
Motor vehicles	16.7 – 25
Computer and office equipment	25
Leasehold property	over period of lease

Deferred taxation

Provision is made for deferred taxation at the rate of corporation tax ruling at the year end (the liability method) except in respect of timing differences which are unlikely to result in a tax liability in the foreseeable future.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Stock

Stock is valued at the lower of invoiced cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct costs incurred in bringing each product to its present location and condition.

HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999

1. ACCOUNTING POLICIES (continued)

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Pension Costs

The company operates a defined contribution scheme under a group personal pension scheme for its directors and staff and contributions to the scheme are charged to profits as incurred.

2. TURNOVER

Turnover which represents the value of goods sold, excluding value added tax, arose entirely from operations within the United Kingdom.

3. OPERATING PROFIT

	<u>1999</u> £	<u>1998</u> £
This is stated after charging:		
Depreciation	35,034	35,429
Auditors' remuneration	3,500	3,200
Directors' emoluments and company contributions to money purchase schemes in relation to directors' pensions	<u>74,977</u>	<u>58,340</u>

Two directors accrued pension benefits under money purchase schemes.

4. DIVIDEND

Ordinary dividend proposed	<u>35,000</u>	<u>-</u>
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HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999
(Continued)

5. TANGIBLE FIXED ASSETS

	<u>Leasehold property</u> £	<u>Plant, Equipment and motor vehicles</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 April 1998	120,394	144,739	265,133
Additions	3,310	67,161	70,471
Disposals	-	(30,700)	(30,700)
At 31 March 1999	123,704	181,200	304,904
<u>Depreciation</u>			
At 1 April 1998	16,188	99,694	115,882
Provided during the year	5,810	29,224	35,034
Disposals	-	(26,590)	(26,590)
At 31 March 1999	21,998	102,328	124,326
<u>Net Book Value</u>			
At 31 March 1999	101,706	78,872	180,578
At 31 March 1998	104,206	45,045	149,251

Included in plant and equipment are assets with a net book value of £13,937 (1998: £Nil) held under hire purchase contracts. Depreciation amounting to £948 (1998: £Nil) was charged in respect of these assets during the year.

6. INVESTMENTS

During the year, the company acquired shares in Holden Timber Engineering Limited at a cost of £20,000. This represents a 50% shareholding in that company which is registered in England and Wales.

7. STOCK

	<u>1999</u> £	<u>1998</u> £
Goods for resale	149,115	162,231

HOLDEN TIMBER LIMITED**NOTES TO THE ACCOUNTS****For the year ended 31 March 1999**
(Continued)**8. DEBTORS**

	<u>1999</u>	<u>1998</u>
	£	£
<u>Amounts falling due within one year</u>		
Trade debtors	256,866	306,586
Amounts owed by group companies	-	1,786
Prepayments and accrued income	6,900	12,675
Other debtors	38,333	-
	<u>302,099</u>	<u>321,047</u>

9. CREDITORS: amounts falling due within one year

Bank overdraft	-	125
Trade creditors	303,917	248,196
Other creditors	211,861	189,791
Corporation tax	13,600	7,282
Taxation and social security	10,393	20,728
Hire purchase instalments	3,283	-
Accruals and deferred income	16,519	20,058
	<u>559,573</u>	<u>486,180</u>

10. CREDITORS: amounts falling due after more than one year

Hire purchase instalments	<u>5,796</u>	<u>-</u>
Hire purchase		
Due within 1 year	3,283	-
Due within 1 – 2 years	3,283	-
Due within 2 – 5 years	2,513	-
	<u>9,079</u>	<u>-</u>

HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999
(Continued)

11. CALLED UP SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
<u>Authorised:</u>		
Ordinary shares of £1 each	24,000	24,000
<u>Allotted, called up and fully paid:</u>		
Ordinary shares of £1 each	10,000	9,500
'A' shares	-	500
	<u>10,000</u>	<u>10,000</u>

During the year the 'A' shares were reconverted to ordinary shares having all the same rights.

12. COMMITMENTS

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

	<u>1999</u> <u>Other</u>	<u>1999</u> <u>Land and</u> <u>Buildings</u> £	<u>1998</u> <u>Land and</u> <u>Buildings</u> £
Operating leases which expire:-			
1 – 2 years	380	-	-
2 – 5 years	6,460	-	-
Over five years	-	24,000	23,190
	<u>6,840</u>	<u>24,000</u>	<u>23,190</u>

The lease of land and buildings is subject to rent reviews.

HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999
(Continued)

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	<u>Share Capital</u> £	<u>Profit and Loss Account</u> £	<u>Total</u> £
Balance at 1 April 1997	10,000	135,509	145,509
Profit for the year ended 31 March 1998	-	12,423	12,423
Balance at 31 March 1998	10,000	147,932	157,932
Profit for the year ended 31 March 1999	-	49,569	49,569
Dividends proposed	-	(35,000)	(35,000)
Balance at 31 March 1999	10,000	162,501	172,501

14. RELATED PARTY TRANSACTIONS

Controlling Related Party

The company is controlled by R M Holden, a director of the company.

Transactions

During the year the company entered into transactions in the normal course of business with the following related parties, as defined by Financial Reporting Standard 8:-

	<u>Description of relationship</u>	<u>Description of transaction</u>	<u>Amount charged/ credited</u> £	<u>Balance outstanding at 31.3.99</u> £
Holden Timber Engineering Limited	Investment	Purchases Sales	(224) 3,040	(263) 3,572
Swiftwood Imports Limited	Former parent	Purchases	(206,144)	(49,260)
Wisbech Terminals Ltd	Former parent	Service charges	(10,035)	(658)
	<u>Description of relationship</u>	<u>Description of transaction</u>	<u>Amount charged/ credited</u> £	<u>Balance outstanding at 31.3.98</u> £
Swiftwood Imports Limited	Former parent	Purchases	(189,178)	(29,779)
Wisbech Terminals Ltd	Former parent	Service charges	(19,800)	(160,012)
Studlands Timber & Builders Merchants Ltd		Sales Purchases	1,622 (424)	1,786

Transactions with directors

During the year the company loaned one of the directors, R Holden, £34,601, all of which was outstanding at the year end. Since the year end, the loan has been settled in full.

HOLDEN TIMBER LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 March 1999
(Continued)

15. PENSIONS

The company operates a defined contribution scheme under a group personal pension plan which is administered separately from the company. The pension cost charge represents contributions paid by the company to the fund and amounted to £6,264 (1998: £5,941).