

Company Registration No. 3875370 (England and Wales)

PACE TIMBER SYSTEMS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004



ACCOUNTS
Q. C. APPROVED

PACE TIMBER SYSTEMS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
<i>Abbreviated profit and loss account</i>	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	9 - 20

PACE TIMBER SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities and review of the business

The company principally designs, manufactures and erects timber frame buildings.

Turnover for 2004 continues to reflect our success in increasing our market share, however, the operating loss reported this year is a reflection of the re-organisation that has taken place. The company has moved to new premises and taken a critical look at the overhead levels and has actively sought to reduce costs where appropriate, the full impact of which will only be seen in the forthcoming year. The directors believe the changes made in the year put the company on a more stable platform from which to re-group in the next financial year. As a result of this, the directors view the forthcoming year with confidence.

Results and dividends

The results for the year are set out on page 4.

Interim dividends of £23,984 were paid in the year. No final dividend is proposed.

Post balance sheet events

In February 2005 the company sold the freehold property known as Bleak Hall and entered into a leaseback arrangements with the purchaser. The profit on disposal will be reflected in next years financial statements.

Directors

The following directors have held office since 1 January 2004:

P R Key	
J E Pritchard	
D Monks	(Appointed 25 May 2005)
T J Marson	
T King	(Appointed 14 October 2005)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary "A" shares of £ 1 each	
	31 December 2004	1 January 2004
P R Key	24	24
J E Pritchard	23	23
T J Marson	-	-

	Ordinary "B" shares of £ 1 each	
	31 December 2004	1 January 2004
P R Key	-	-
J E Pritchard	-	-
T J Marson	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Cowgill Holloway be reappointed as auditors of the company will be put to the Annual General Meeting.

PACE TIMBER SYSTEMS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

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 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;
- 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.

On behalf of the board



.....

P R Key

Director

27/10/05

PACE TIMBER SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO PACE TIMBER SYSTEMS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 20, together with the financial statements of the company for the year ended 31 December 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 20 are properly prepared in accordance with that provision.

Cowgill Holloway

Cowgill Holloway

Chartered Accountants
Registered Auditor

27 OCTOBER 2005

45-49 Chorley New Road
Bolton
BL1 4QR

PACE TIMBER SYSTEMS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Gross profit		1,551,897	1,737,034
Distribution costs		(873,284)	(482,979)
Administrative expenses		(1,519,646)	(1,095,740)
	
Operating (loss)/profit	2	(841,033)	158,315
Other interest receivable and similar income		100	177
Interest payable and similar charges	4	(137,484)	(40,999)
	
(Loss)/profit on ordinary activities before taxation		(978,417)	117,493
Tax on (loss)/profit on ordinary activities	5	226,228	7,394
	
(Loss)/profit on ordinary activities after taxation		(752,189)	124,887
Dividends	6	(23,984)	(35,920)
	
Retained (loss)/profit for the year	17	(776,173)	88,967
	

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PACE TIMBER SYSTEMS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
	£	£
(Loss)/profit for the financial year	(752,189)	124,887
Unrealised surplus on revaluation of properties	385,489	77,278

Total recognised gains and losses relating to the year	(366,700)	202,165

PACE TIMBER SYSTEMS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	7		93,744		64,198
Tangible assets	8		2,180,726		1,644,403
Investments	9		200		200
		
			2,274,670		1,708,801
Current assets					
Stocks	10	214,718		281,475	
Debtors	11	1,770,576		2,211,501	
Cash at bank and in hand		45		1,087	
		
		1,985,339		2,494,063	
Creditors: amounts falling due within one year	12	(2,692,081)		(2,295,028)	
		
Net current (liabilities)/assets			(706,742)		199,035
		
Total assets less current liabilities			1,567,928		1,907,836
Creditors: amounts falling due after more than one year	13		(1,360,106)		(1,293,607)
Provisions for liabilities and charges	14		-		(15,723)
		
			207,822		598,506
		
Capital and reserves					
Called up share capital	16		102		102
Revaluation reserve	17		462,767		77,278
Profit and loss account	17		(255,047)		521,126
		
Shareholders' funds - equity interests	18		207,822		598,506
		

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 27/10/05


P R Key
Director

PACE TIMBER SYSTEMS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		497,666		(60,046)
Returns on investments and servicing of finance				
Interest received	100		177	
Interest paid	(137,484)		(40,999)	
	
Net cash outflow for returns on investments and servicing of finance		(137,384)		(40,822)
Taxation		(47,546)		(32,979)
Capital expenditure				
Payments to acquire tangible assets	(166,435)		(1,489,228)	
Receipts from sales of tangible assets	57,723		10,125	
	
Net cash outflow for capital expenditure		(108,712)		(1,479,103)
Equity dividends paid		(23,984)		(35,920)
	
Net cash inflow/(outflow) before management of liquid resources and financing		180,040		(1,648,870)
Financing				
New long term bank loan	-		1,300,000	
Repayment of long term bank loan	(132,095)		(80,284)	
Capital element of hire purchase contracts	(57,643)		(46,421)	
	
Net cash (outflow)/inflow from financing		(189,738)		1,173,295
	
Decrease in cash in the year		(9,698)		(475,575)
	

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

1	Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities		2004	2003	
			£	£	
	Operating (loss)/profit		(841,033)	158,315	
	Depreciation of tangible assets		161,755	88,814	
	Amortisation of intangible assets		5,508	-	
	Loss on disposal of tangible assets		2,377	5,597	
	Decrease/(increase) in stocks		66,757	(110,391)	
	Decrease/(increase) in debtors		651,430	(256,405)	
	Increase in creditors within one year		450,872	54,024	
			
	Net cash inflow/(outflow) from operating activities		497,666	(60,046)	
			
2	Analysis of net debt	1 January 2004	Cash flow	Other non-cash changes	31 December 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,087	(1,042)	-	45
	Bank overdrafts	(552,574)	(8,656)	-	(561,230)
	
		(551,487)	(9,698)	-	(561,185)
	
	Debt:				
	Finance leases	(108,604)	57,643	(241,298)	(292,259)
	Debts falling due within one year	(166,951)	67,595	-	(99,356)
	Debts falling due after one year	(1,225,932)	64,490	-	(1,161,442)
	
		(1,501,487)	189,728	(241,298)	(1,553,057)
	
	Net debt	(2,052,974)	180,030	(241,298)	(2,114,242)
	
3	Reconciliation of net cash flow to movement in net debt		2004	2003	
			£	£	
	Decrease in cash in the year		(9,698)	(475,575)	
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		189,728	(1,173,295)	
			
	Change in net debt resulting from cash flows		180,030	(1,648,870)	
	New finance lease		(241,298)	(61,105)	
			
	Movement in net debt in the year		(61,268)	(1,709,975)	
	Opening net debt		(2,052,974)	(342,999)	
			
	Closing net debt		(2,114,242)	(2,052,974)	
			

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised on an accruals basis on delivery of the goods.

1.3 Research and development

Research expenditure in general is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

Intangible assets represents research & development costs capitalised in respect of the development of the Optima product range. The costs are being written off over the expected useful life the product which the directors believe will be no more than three years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land & buildings	4% on cost
Leasehold property improvements	33.3% on cost
Plant and machinery	20% on cost
Fixtures, fittings & equipment	33.3% on cost
Motor vehicles	25% on cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. Any benefit of a rent free period is spread over the length of the lease.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies (continued)

1.7 Stock and work in progress

Stock and work in progress (short term) are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.8 Pensions

The pension costs charged against profits represent the amount of contributions made by the company to certain employee's personal pension schemes in respect of the accounting period.

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2	Operating (loss)/profit	2004 £	2003 £
	Operating (loss)/profit is stated after charging:		
	Amortisation of intangible assets	5,508	-
	Depreciation of tangible assets	161,755	88,814
	Loss on disposal of tangible assets	2,377	5,597
	Operating lease rentals		
	- Plant and machinery	21,008	23,123
	Auditors' remuneration	7,700	5,500
	
3	Investment income	2004 £	2003 £
	Bank interest	100	177
	
4	Interest payable	2004 £	2003 £
	On bank loans and overdrafts	122,529	31,198
	Hire purchase interest	14,955	9,801
	
		137,484	40,999
	

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

5	Taxation	2004	2003
	
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge credit current year	(226,228)	(7,394)
	
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(978,417)	117,493
	
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2003: 30.00%)	(293,525)	35,248
	
	Effects of:		
	Non deductible expenses	7,721	10,064
	Depreciation add back	38,178	26,644
	Capital allowances	(62,812)	(32,213)
	Tax losses utilised	-	(39,743)
	Other tax adjustments	310,438	-
	
		293,525	(35,248)
	
	Current tax charge	-	-
	

The company has estimated losses of £ 1,034,792 (2003: £ nil) available for carry forward against future trading profits.

Other tax adjustments represents tax effect of losses carried forward.

No deferred tax has been provided on the revaluation of the property on the basis that any gains on the property when sold will be rolled over into other assets.

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

6	Dividends	2004 £	2003 £
	Ordinary interim paid	11,387	17,720
	Ordinary interim paid	12,597	18,200
	
		23,984	35,920
	

A class Ordinary shares £227.74 (2003: £377.02) per share.

B class Ordinary shares £242.25 (2003: £350) per share.

The right to a dividend on 3 A ordinary shares were waived by a shareholder in 2003.

The dividends paid at the end of the first quarter and based on the management accounts available at that time were paid when the company had positive distributable reserves.

7 Intangible fixed assets

	Research & Development Costs £
Cost	
At 1 January 2004	64,198
Additions	35,054

At 31 December 2004	99,252

Amortisation	
At 1 January 2004	-
Charge for the year	5,508

At 31 December 2004	5,508

Net book value	
At 31 December 2004	93,744

At 31 December 2003	64,198

The research and development project relates to the Optima range of products. The project was completed in October 2004 and the costs are being amortised over a 3 year period from 1 November 2004.

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

8 Tangible fixed assets

	Land & buildings	Leasehold property improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2004	1,400,000	34,672	241,360	120,566	3,000	1,799,598
Additions	10,668	46,889	260,024	55,109	-	372,690
Revaluation	345,055	-	-	-	-	345,055
Disposals	(55,723)	-	-	(9,311)	(3,000)	(68,034)

At 31 December 2004	1,700,000	81,561	501,384	166,364	-	2,449,309

Depreciation						
At 1 January 2004	-	12,863	85,570	56,513	250	155,196
Revaluation	(40,434)	-	-	-	-	(40,434)
On disposals	-	-	-	(7,059)	(875)	(7,934)
Charge for the year	40,434	17,493	61,686	41,517	625	161,755

At 31 December 2004	-	30,356	147,256	90,971	-	268,583

Net book value						
At 31 December 2004	1,700,000	51,205	354,128	75,393	-	2,180,726

At 31 December 2003	1,400,000	21,809	155,791	64,053	2,750	1,644,403

The land & buildings were revalued by Chesterton plc on 17th January 2005 and reflect an open market value of £1.7 million. This valuation is reflected in the year end accounts.

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Net book values			
At 31 December 2004	305,154	31,860	337,014

At 31 December 2003	100,056	13,906	113,962

Depreciation charge for the year			
At 31 December 2004	37,099	12,103	49,202

At 31 December 2003	17,386	7,573	24,959

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2004 & at 31 December 2004	200

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Pace Timber Systems (Northern) Limited	United Kingdom	Ordinary	100
Pace Timber (Engineering) Limited	United Kingdom	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2004 £	Profit for the year 2004 £
Pace Timber Systems (Northern) Limited	(228,269)	84,485
Pace Timber (Engineering) Limited	(83,265)	(153,087)

10 Stocks and work in progress

	2004 £	2003 £
Raw materials and consumables	132,929	173,647
Work in progress	81,789	107,828

	214,718	281,475

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

11 Debtors	2004	2003
	£	£
Trade debtors	1,071,815	1,710,311
Amounts owed by parent and fellow subsidiary undertakings	46,049	236,320
Other debtors	215,948	124,439
Prepayments and accrued income	226,259	140,431
Deferred tax asset (see note 14)	210,505	-

	1,770,576	2,211,501

12 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	660,586	719,525
Net obligations under hire purchase contracts	93,595	40,929
Trade creditors	1,586,804	1,277,528
Amounts owed to subsidiary undertakings	51,767	6,135
Corporation tax	-	47,546
Other taxes and social security costs	62,991	102,951
Accruals and deferred income	236,338	100,414

	2,692,081	2,295,028

Bank borrowings are secured by a mortgage debenture over the company's assets dated 28 June 2001 and a legal charge dated 29 December 2003.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

13 Creditors: amounts falling due after more than one year	2004	2003
	£	£
Bank loans	1,161,442	1,225,932
Net obligations under hire purchase contracts	198,664	67,675

	1,360,106	1,293,607

Analysis of loans		
Wholly repayable within five years	1,260,798	1,392,883

	1,260,798	1,392,883
Included in current liabilities	(99,356)	(166,951)

	1,161,442	1,225,932

Loan maturity analysis		
In more than one year but not more than two years	86,667	99,266
In more than two years but not more than five years	260,000	260,000
In more than five years	814,775	866,666

Net obligations under hire purchase contracts		
Repayable within one year	93,595	40,767
Repayable between one and five years	198,664	67,837

	292,259	108,604
Included in liabilities falling due within one year	(93,595)	(40,929)

	198,664	67,675

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

14 Provisions for liabilities and charges

The deferred tax asset (included in the debtors, note 11) is made up as follows:

	2004 £	
Balance at 1 January 2004	15,723	
Profit and loss account	(226,228)	
	
Balance at 31 December 2004	(210,505)	
	
	2004 £	2003 £
Accelerated capital allowances	99,933	15,723
Tax losses available	(310,438)	-

	(210,505)	15,723

The rate of deferred taxation for this year is 30% (2003 - 30%).

15 Pension costs

Defined contribution

	2004 £	2003 £
Contributions payable by the company for the year	73,912	49,488

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2004**

16 Share capital	2004	2003
	£	£
Authorised		
500 Ordinary "A" shares of £1 each	500	500
500 Ordinary "B" shares of £1 each	500	500

	1,000	1,000

Allotted, called up and fully paid		
50 Ordinary "A" shares of £1 each	50	50
52 Ordinary "B" shares of £1 each	52	52

	102	102

The company's Articles of Association state that the substance of the different classes of shares is such that the "A" and "B" shares constitute a single class with regard to income and capital distributions and voting rights, provided the holders of the "A" shares do not confer any right to vote upon a resolution for the removal from office of a director appointed by a majority, in nominal value, of the "B" shareholders.

17 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2004	77,278	521,126
Retained loss for the year	-	(776,173)
Revaluation during the year	385,489	-

Balance at 31 December 2004	462,767	(255,047)

18 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
(Loss)/Profit for the financial year	(752,189)	124,887
Dividends	(23,984)	(35,920)

	(776,173)	88,967
Other recognised gains and losses	385,489	77,278

Net (depletion in)/addition to shareholders' funds	(390,684)	166,245
Opening shareholders' funds	598,506	432,261

Closing shareholders' funds	207,822	598,506

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

19 Contingent liabilities

The company has a cross guarantee between the following companies:-

Pace Timber Systems (Northern) Limited - Bank overdraft of £414,549 (2003: £259,610).

Pace Timber Engineering Limited - Bank overdraft - £422,295 (2003: £Nil).

20 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within one year	-	84,100	33,956	10,479
Between two and five years	34,000	28,000	88,226	79,658
In over five years	312,475	-	-	-

	346,475	112,100	122,182	90,137

21 Directors' emoluments

	2004	2003
	£	£
Emoluments for qualifying services	230,057	84,598
Company pension contributions to money purchase schemes	23,750	18,000

	253,807	102,598

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	85,953	61,735
Company pension contributions to money purchase schemes	9,000	9,000

PACE TIMBER SYSTEMS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

22 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Direct	32	38
Other employees	43	20

	75	58

Employment costs

	£	£
Wages and salaries	1,990,195	1,307,859
Social security costs	190,677	140,228
Other pension costs	73,912	49,488

	2,254,784	1,497,575

23 Post balance sheet events

In February 2005 the company sold the freehold property known as Bleak Hall and entered into a leaseback arrangements with the purchaser. The profit on disposal will be reflected in next years financial statements.