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**Howarth Timber (Huddersfield)  
Limited**

**Directors' report and financial statements**

**For the year ended 31 March 1995**

**Registered number 201929**



# Howarth Timber (Huddersfield) Limited

## Directors' report and financial statements

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## Howarth Timber (Huddersfield) Limited

### Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

#### Principal activities

The company carries on the business of timber merchants, do-it-yourself retailers and roof truss manufacturers. In addition, the company's subsidiary carries on business as manufacturers of UPVC windows for the housing industry, and is also a glass merchant.

#### Business review

The results for the year are set out in the profit and loss account on page 5.

#### Proposed dividend and transfer to reserves

After deducting dividends of £70, the profit for the financial year retained in the company is £118,446.

#### Significant changes in fixed assets

The movements in fixed assets are set out in note 8.

#### Directors and directors' interests

The directors who held office during the year were as follows:

AP Howarth	(Chairman from 1 January 1995)
ND Howarth	(Chairman until 31 December 1994)
J Howarth	(Retired 18 July 1995)
DS Squires	

The chairmanship of the company rotates on an annual basis.

The director retiring by rotation is DS Squires who, being eligible, offers himself for re-election.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company nor any other group undertaking, other than as shown in the accounts of Howarth Timber Group Limited.

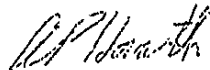
## Howarth Timber (Huddersfield) Limited

### Directors' report

#### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



AP Howarth  
Director

East Street  
LEEDS  
LS1 8DA

18 July 1995

## Howarth Timber (Huddersfield) 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 affairs of the company and of the profit or loss 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;
- 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 will continue in business.

The directors are responsible for maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Neville Street  
Leeds  
LS1 4DW

## Auditors' report to the members of Howarth Timber (Huddersfield) Limited

We have audited the financial statements on pages 5 to 15.

### *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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG  
Registered Auditors

18 July 1995

KPMG

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## Howarth Timber (Huddersfield) Limited

### Profit and loss account for the year ended 31 March 1995

	Note	1995 £	1994 £
Turnover	1	3,047,429	2,665,230
Change in stocks of finished goods and work in progress		55,159	19,891
Other operating income		-	38,327
Raw materials and consumables		(2,004,436)	(1,735,965)
Other external charges		(69,190)	(74,061)
Staff costs	4	(531,079)	(547,796)
Depreciation and other amounts written off tangible fixed assets	2	(61,594)	(44,758)
Other operating charges		(271,694)	(293,683)
Operating profit		164,595	27,185
Other interest receivable and similar income		754	11,671
Interest payable and similar charges	5	(10,409)	-
Profit on ordinary activities before taxation	2-5	154,940	38,856
Tax on profit on ordinary activities	6	(36,424)	(12,275)
Profit on ordinary activities after taxation		118,516	26,581
Dividends paid	7	(70)	(15,680)
Retained profit for the financial year		118,446	10,901
Retained profit brought forward		374,623	363,722
Retained profit carried forward		493,069	374,623

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

A reconciliation of movements in shareholders' funds is given in note 14 to the financial statements.

## Howarth Timber (Huddersfield) Limited

Balance sheet  
at 31 March 1995

	Note	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	8	117,159	88,866
Investments	9	1,000	1,000
		<u>118,159</u>	<u>89,866</u>
<b>Current assets</b>			
Stocks	10	430,783	341,085
Debtors	11	610,475	503,306
Cash at bank and in hand		305	406
		<u>1,041,563</u>	<u>844,797</u>
<b>Creditors: amounts falling due within one year</b>	12	(616,653)	(510,040)
<b>Net current assets</b>		<u>424,910</u>	<u>334,757</u>
<b>Net assets</b>		<u>543,069</u>	<u>424,623</u>
<b>Capital and reserves</b>			
Called up share capital	13	50,000	50,000
Profit and loss account		493,069	374,623
		<u>543,069</u>	<u>424,623</u>
<b>Shareholders' funds</b>			
Equity		541,069	422,623
Non-equity		2,000	2,000
	14	<u>543,069</u>	<u>424,623</u>

These financial statements were approved by the board of directors on 18 July 1995 and were signed on its behalf by:

  
ND Howarth  
Director

KPMG



## Howarth Timber (Huddersfield) Limited

### Notes

(forming part of the financial statements)

#### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

##### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

A consolidated cash flow statement prepared in accordance with Financial Reporting Standard 1 is included in the financial statements of Howarth Timber Group Limited.

##### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	15 % of cost per annum
Motor vehicles	-	25 % of cost per annum
Computers	-	20 % of cost per annum

##### *Pension costs*

The company is party to a pension scheme operated by Howarth Timber Group Limited providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

##### *Stocks*

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

##### *Bank balances*

Bank balances are stated at the amount of the balance shown on the bank statement of the company adjusted for the bank charges and interest accrued but not charged at the financial year end.

##### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

# Howarth Timber (Huddersfield) Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

### 2 Profit on ordinary activities before taxation

	1995 £	1994 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	2,850	2,800
Other services	1,555	1,975
Depreciation and other amounts written off owned tangible fixed assets	61,594	44,758

### 3 Remuneration of directors

	1995 £	1994 £
Directors' emoluments:		
Remuneration as executives	31,123	34,216

The emoluments, excluding pension contributions, of the chairman were £nil (1994: £nil) and those of the highest paid director were £28,529 (1994: £31,434).

The emoluments, excluding pension contributions, of the directors (including the chairman and highest paid directors) were within the following ranges:

	Number of directors	
	1995	1994
£0 - £5,000	3	3
£25,001 - £30,000	1	-
£30,001 - £35,000	-	1

# Howarth Timber (Huddersfield) Limited

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1995	1994
Production	22	19
Selling and distribution	13	14
Administration	3	5
	<u>38</u>	<u>38</u>

The aggregate payroll costs of these persons were as follows:

	1995	1994
	£	£
Wages and salaries	465,570	478,881
Social security costs	43,905	46,491
Other pension costs (see note 16)	21,604	22,424
	<u>531,079</u>	<u>547,796</u>

### 5 Interest payable and similar charges

	1995	1994
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	<u>10,409</u>	<u>-</u>

## Howarth Timber (Huddersfield) Limited

## Notes (continued)

## 6 Taxation

	1995 £	1994 £
UK corporation tax at 25% (1994: 25%) on the profit for the year on ordinary activities	3,018	3,000
Group relief	33,386	6,260
Adjustment relating to an earlier year	20	3,015
	<u>36,424</u>	<u>12,275</u>

The corporation tax liability for the year has been reduced by £33,386 (1994: £6,260) as a result of group relief for a fellow subsidiary undertaking's losses.

## 7 Dividends

	1995 £	1994 £
<i>Equity shares:</i>		
Ordinary shares	-	15,610
<i>Non equity shares:</i>		
5% cumulative preference shares	<u>70</u>	<u>70</u>
	<u>70</u>	<u>15,680</u>

## Howarth Timber (Huddersfield) Limited

## Notes (continued)

## 8 Tangible fixed assets

	Computers £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At beginning of year	7,873	180,799	286,642	475,314
Additions	1,886	1,658	89,464	93,008
Disposals	-	-	(68,198)	(68,198)
At end of year	9,759	182,457	307,908	500,124
<i>Depreciation</i>				
At beginning of year	7,870	158,609	219,969	386,448
Charge for year	377	9,962	51,255	61,594
Disposals	-	-	(65,077)	(65,077)
At end of year	8,247	168,571	206,147	382,965
<i>Net book value</i>				
At 31 March 1995	1,512	13,886	101,761	117,159
At 31 March 1994	3	22,190	66,673	88,866

## 9 Investments

	1995 £	1994 £
Cost and net book value at beginning and end of year	1,000	1,000

## Howarth Timber (Huddersfield) Limited

### Notes (continued)

#### 9 Investments (continued)

The companies in which the company's interest is more than 10% are as follows:

	Country of registration or incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Howarth Timber (Elland) Limited	England	Timber, Do-it-yourself and UPVC window manufacturers	100%

The profit retained for the financial year by Howarth Timber (Elland) Limited was £1,576 (1994: £36,354) and the sum of its capital and reserves at 31 March 1995 was £41,320 (1994: £39,744).

In the opinion of the directors the investment in and amounts due from the company's subsidiary undertaking are worth at least the amounts at which they are stated in the balance sheet.

#### 10 Stocks

	1995 £	1994 £
Raw materials and consumables	171,352	145,566
Work in progress	12,964	4,211
Finished goods and goods for resale	246,467	191,308
	<u>430,783</u>	<u>341,085</u>

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

## Howarth Timber (Huddersfield) Limited

## Notes (continued)

## 11 Debtors

	Due within one year 1995 £	Due within one year 1994 £
Trade debtors	501,194	415,494
Credits not cleared by bank	1,123	1,960
Amounts owed by parent and fellow subsidiary undertakings	80,658	60,152
Amount owed by subsidiary undertaking	2,055	-
Other debtors	165	433
Prepayments and accrued income	25,280	25,267
	<u>610,475</u>	<u>503,306</u>

## 12 Creditors: amounts falling due within one year

	1995 £	£	1994 £	£
Bankloans and overdrafts (see note 15)		95,280		130,089
Cheques issued not presented		110,908		113,113
Trade creditors		248,668		140,699
Amounts owed to parent and fellow subsidiary undertakings		116,851		78,285
Amount owed to subsidiary undertaking		-		8,999
Other creditors including taxation and social security:				
Corporation tax	3,000		3,000	
Other taxes and social security	29,638		24,448	
	<u>32,638</u>		<u>27,448</u>	
Taxation and social security		32,638		27,448
Other creditors		4,319		5,395
		<u>36,957</u>		<u>32,843</u>
Accruals and deferred income		7,989		6,012
		<u>616,653</u>		<u>510,040</u>

## Howarth Timber (Huddersfield) Limited

### Notes (continued)

#### 13 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
<i>Equity shares</i>		
Ordinary shares of £1 each	48,000	48,000
<i>Non equity shares</i>		
5% cumulative preference shares of 50p each	2,000	2,000
	<u>50,000</u>	<u>50,000</u>
<i>Allotted, called up and fully paid</i>		
<i>Equity shares</i>		
Ordinary shares of £1 each	48,000	48,000
<i>Non equity shares</i>		
5% cumulative preference shares of 50p each	2,000	2,000
	<u>50,000</u>	<u>50,000</u>

#### 14 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	118,516	26,581
Dividends paid	(70)	(15,680)
	<u>118,446</u>	<u>10,901</u>
Opening shareholders' funds	424,623	413,722
	<u>543,069</u>	<u>424,623</u>
Closing shareholders' funds		

#### 15 Contingent liabilities

The company and its parent, subsidiary and fellow subsidiary undertakings are party to unlimited multilateral or company guarantees to Midland Bank Plc in respect of any liability to Midland Bank Plc incurred by Howarth Timber Group Limited or its subsidiaries. The guaranteed borrowings of parent and fellow subsidiary undertakings at 31 March 1995 amounted to £2,208,836 (1994: £650,276).

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# Howarth Timber (Huddersfield) Limited

## Notes (continued)

### 16 Pension scheme

Howarth Timber Group operates one defined contribution scheme and two defined benefit schemes of which certain company employees are members.

#### *Defined contribution scheme*

The pension cost charge for the year in respect of the defined contribution scheme represents contributions payable by the company to the fund and amounted to £1,636 (1994: £1,364). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### *Defined benefit schemes*

The assets of the defined benefit schemes are held in separate trustee administered funds.

Contributions to the group's defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary. The most recent valuation was at 6 April 1993 and 31 March 1994 for the Retirement and Death Benefits Plan and Scheme 'A' respectively. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions.

The pension cost charge for the year in respect of the defined benefit schemes represents contributions payable by the company to the fund and amounted to £19,968 (1994: £21,060). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

At the last actuarial valuation at 6 April 1993 in respect of the Retirement and Death Benefits Scheme, the market value of the assets of the scheme was £2,166,944. There was a deficiency of £554,805 on current funding levels. The shortfall is being reduced by an increase to the long term funding rate. The actuarial value of the schemes' assets represented 98% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

### 17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Howarth Timber Group Limited incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Howarth Timber Group Limited. The consolidated accounts of this group may be obtained from:

The Registrar  
Companies House  
Crown Way  
Maindy  
Cardiff  
CF4 3UZ

No other group accounts include the results of the company.