

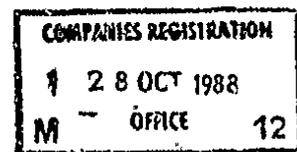
EDWARD HUGHES & CO. (TIMBER) LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 1987



EDWARD HUGHES & CO. (TIMBER) LIMITED  
REPORT OF THE DIRECTORS

Page 1

The Directors, having changed the Company's Accounting Reference Date from 30 June to 31 December to coincide with that of its new ultimate holding company, Hillside Holdings plc, have pleasure in submitting their report and financial statements for the extended Accounting Reference Period being the 18 months ended 31 December 1987.

ACTIVITIES

During the period the Company continued to trade as a timber importer and merchant but did so exclusively in its capacity as an agent of its fellow subsidiary, Mallinson-Denny (U.K.) Limited, and accordingly has made neither a profit nor a loss.

The Directors do not envisage initiating any change in the Company's role or activities for the foreseeable future.

FINANCIAL

The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors of the Company during the period were:

F.F. Andrew  
J.F.C. Armstrong (appointed 1.7.1987)  
S.R. Burton  
J.G. Dyke  
T.S. Mallinson (resigned 1.7.1987)  
J.B. Tattersall  
B.J.R. Thomas

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

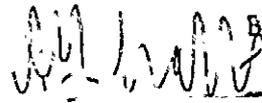
The Directors' interests, if any, in the share capital and debentures of Group companies, to be stated in accordance with s.235(3) of the Companies Act 1985, were as follows:

		<u>Mallinson-Denny Group Limited 'A' Ordinary Shares</u>	<u>Hunter PLC Ordinary Shares</u>	<u>Hillside Holdings plc Ordinary Shares</u>
S.R. Burton	31.12.1987			800
J.B. Tattersall	1.7.1986	2,000		
	31.12.1987			800
B.J.R. Thomas	1.7.1986	1,000		
	31.12.1987		2,903	800

AUDITORS

The Company's Auditors, KMG Thomson McLintock, have merged with Peat Marwick Mitchell & Co. and are now practising under the name of Peat Marwick McLintock, accordingly they have signed the audit report in their new name.

A resolution concerning the reappointment of Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

 By order of the Board  
A.P. Craft  
Secretary

Malden House,  
Radlett Road, Park Street,  
St Albans,  
Herts AL2 2JE  
8 January 1988

AUDITORS' REPORT TO THE MEMBERS OF  
EDWARD HUGHES & CO. (TIMBER) LIMITED

We have audited the financial statements on pages 4 to 5 in accordance with approved Auditing Standards.

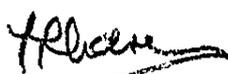
In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1987 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*Peat Marwick McLintock*

PEAT MARWICK McLINTOCK  
Chartered Accountants  
St. Albans  
27 January 1988

EDWARD HUGHES & CO. (TIMBER) LIMITEDBALANCE SHEETAs at 31 December 1987

	<u>Notes</u>	<u>1987</u> £'000	<u>1986</u> £'000
<b>DEBTORS</b>			
Amounts due from intermediate holding company and fellow subsidiaries		10 =====	10 =====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	9 1	9 1
Profit and loss account		10 =====	10 =====



F.F. ANDREW

Director



J.G. DYKE

Director

EDWARD HUGHES & CO. (TIMBER) LIMITEDNOTES

(forming part of the financial statements)

31 December 1987

## 1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

## 2. PROFIT AND LOSS ACCOUNT

The Company has traded during the period 1 July 1986 to 31 December 1987 only, as an agent for Mallinson-Denny (U.K.) Ltd. It has not traded on its own account, and accordingly has no movement in revenue account and therefore no profit and loss account has been prepared.

## 3. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	1987 £	1986 £	No.	1987 £'000	No.	1986 £'000
Ordinary shares of £1 each	10,000	10,000	8,900	9	8,900	9
	=====	=====	=====	===	=====	===

## 4. ULTIMATE HOLDING COMPANY

At the period end the Company's ultimate holding company was Hillisdown Holdings plc which is incorporated in Great Britain.

## 5. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on 27 January 1988.