

No. 249168

EDWARD HUGHES & CO. (TIMBER) LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

30 JUNE 1986



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

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The Directors present their report with financial statements of the Company for the year ended 30 June 1986

ACTIVITIES

During the year 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 year were:

F.F. Andrew	
S.R. Burton	(appointed 1.3.1986)
J.G. Dyke	(appointed 6.8.1985)
S.M.Gray	(resigned 7.8.1985)
T.S. Mallinson	(appointed 2.8.1985)
J. McCreath	(appointed 14.5.1986)
I.D. McLean	(resigned 30.9.1985)
J.B. Tattersall	
B.J.R.Thomas	(appointed 2.6.1986)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURE

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

	<u>Unilever PLC</u> 8% Unsecured Loan Notes	<u>Mallinson-Denny Group Limited</u> 'A' Ordinary shares
J.B. Tattersall 1.7.1985	£6,500	
30.6.1986		2,000
B.J.R.Thomas 2.6.1986 *		1,000
30.6.1986		1,000

*at appointment

EMPLOYMENT POLICIES

(i) Employee Involvement


The directors in acknowledging the importance of good communications and relations with employees believe that staff should be aware of matters which affect the Company they serve and to this end during the year information was provided to employees by means of News Letters, Management briefings and Notice Board announcements.

(ii) Employment of Disabled Persons

During the year the Company maintained its policy of giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. As far as was possible, arrangements were made to continue the employment of those employees who became disabled during the course of their employment and where appropriate, arrangements were made for training or the provision of special aids. It was the policy of the Company to provide disabled persons, within the limitations of their aptitudes and skills, with the same opportunities for training, career development and promotion that were available to all employees.

AUDITORS

A resolution concerning the reappointment of KMG Thomson 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
7 July 1986

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, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 30 June 1986 and comply with the Companies Act 1985.

KMG Thom McLintock

KMG THOMSON McLINTOCK

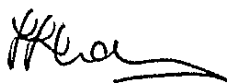
Chartered Accountants.

London

7 July 1986

EDWARD HUGHES & CO. (TIMBER) LIMITEDBALANCE SHEETAs at 30 June 1986

	<u>Notes</u>	<u>1986</u> £'000	<u>1985</u> £'000
DEBTORS - amounts falling due within one year			
Amounts due from intermediate holding company and fellow subsidiaries		10 =====	10 =====
CAPITAL AND RESERVES			
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)
30 June 1986

1. ACCOUNTING POLICIES

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

The effects of events relating to the year ended 30 June 1986 which occurred before 7 July 1986, the date of approval of the financial statements by the Board of Directors, have been included in statements to the extent required to show a true and fair view of the state of affairs at 30 June 1986 and of the results for the year ended on that date.

2. PROFIT AND LOSS ACCOUNT

The company has traded during the year 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			
	1986 £	1985 £	No.	1986 £'000	No.	1985 £'000
Ordinary shares of £1 each	10,000	10,000	8,900	9	8,900	9
	=====	=====	=====	=====	=====	=====

4. ULTIMATE PARENT COMPANY

At the year end the Company's ultimate holding company was Mallinson Denny Group Limited which is incorporated in Great Britain.

5. GUARANTEES

The borrowings of the Company's holding company, Mallinson-Denny Limited, are financed by means of a £27,500,000 term loan repayable 1987 to 1991 and a £35,000,000 bank borrowing facility available until 31 December 1991. Both borrowings are secured by first fixed and floating charges on all the assets and undertakings of the Company, certain of its fellow subsidiaries and Mallinson-Denny Limited.

6. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved the financial statements on 7 July 1986.