

REPORT OF THE DIRECTORS

CHAIRMAN	E E Dossett
DIRECTORS	A E Woodley B Dossett A Howard
SECRETARY	B Dossett
REGISTERED OFFICE	855/857 High road Tottenham London N17
REGISTERED NUMBER	607717

FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements of the group for the year ended 31 August 1990.

DIVIDEND

The directors do not recommend the payment of a dividend and the profit for the year has therefore been retained.

REVIEW OF BUSINESS

The group's principal activities during the year were those of wood machinists and wood moulders.

Although group turnover has remained in line with that of the previous financial year, operating margins have improved.

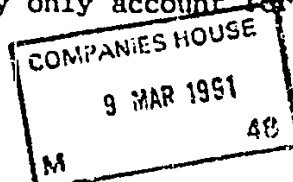
The results of the group's subsidiary company, D W Mouldings Limited, although improved in relation to the previous financial year, continue to reflect a decline in business connected with moulded timber products.

In summary, group turnover amounted to £1,718,967 (1989 - £1,693,396), and the group reports a profit before taxation of £27,825 (1989 - £17,927).

FUTURE DEVELOPMENTS

The directors are aware that both companies within the group face a difficult current year of trading but remain confident that the group will continue to operate profitably.

As an immediate priority, the directors shall continue their efforts to expand the level of business undertaken by the group's subsidiary, and whilst they anticipate a continued decline in the level of demand for moulded timber products, intend to promote timber supplies which currently only account for a small proportion of that company's business.



D W GENERAL WOOD MACHINISTS LIMITED

REPORT OF THE DIRECTORS (Continued)

FIXED ASSETS

The movements in fixed assets are as shown in the notes to the financial statements.

DIRECTORS

With the exception of Mrs I J Dossett, who retired from the board of directors on 22 October 1990, the directors in office at the end of the year are as listed above, all of whom served on the board throughout the financial year ended 31 August 1990.

The board of directors wish to convey their appreciation for the services provided to the group by Mrs I J Dossett during her term of office.

A E Woodley retires by rotation, and being eligible, offers himself for re-election at the forthcoming annual general meeting.

DIRECTORS' INTERESTS

The directors' interests in the share capital of the company at 1 September 1989 and at 31 August 1990 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows

	Ordinary shares of £1 each	
	1 September 1989	31 August 1990
E E Dossett	20,250	20,250
E E Dossett (Joint Trustee Grandchildren's Settlement)	5,976	5,976
A E Woodley	90	90
B Dossett	11,459	11,459
A Howard	8,059	8,059
I J Dossett	1,666	1,666
	<hr/>	<hr/>
	47,500	47,500
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A partner of Menzies, the company's auditors, is a joint trustee with Mr E E Dossett of the Grandchildren's Settlement which holds 5,976 £1 ordinary shares in the company.

AUDITORS

Messrs Menzies have expressed their willingness to continue in office as auditors and in accordance with Section 384(1) of the Companies Act 1985 a resolution proposing their re-appointment will be submitted to the annual general meeting.

By order of the Board

B Dossett
Secretary



4 January 1991

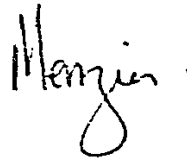
REPORT OF THE AUDITORS TO THE MEMBERS OF
D W GENERAL WOOD MACHINISTS LIMITED

We have audited the financial statements set out on pages 4 to 20 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's and group's affairs at 31 August 1990 and of the group's profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 January 1991

The Chestnuts
18 East Street
Farnham
Surrey
GU9 7SD



MENZIES
Chartered Accountants

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D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET

31 AUGUST 1990

	Notes	£	1990 £	£	1989 £
FIXED ASSETS					
Tangible assets	2		947,140		1,033,294
CURRENT ASSETS					
Stock and work in progress	4	196,062		147,102	
Debtors	5	473,939		435,481	
Cash at bank and in hand		178,991		143,541	
		848,992		726,124	
CREDITORS: amounts falling due within one year	6	468,244		444,736	
NET CURRENT ASSETS			380,748		281,388
TOTAL ASSETS LESS CURRENT LIABILITIES					
			1,327,888		1,314,682
CREDITORS: amounts falling due after more than one year					
	7	18,951		20,440	
PROVISIONS FOR LIABILITIES AND CHARGES					
	8	125,047		129,859	
			143,998		150,299
			1,183,890		1,164,383
CAPITAL AND RESERVES					
Called up share capital	9		50,000		50,000
Profit and loss account	10		1,133,890		1,114,383
			1,183,890		1,164,383

The financial statements were approved by the Board of Directors on 4 January 1991.

DIRECTORS E E Dossett

E E Dossett

A E Woodley

A E Woodley

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 AUGUST 1990

		1990	1989
	Notes	£	£
TURNOVER	11	1,718,967	1,693,396
COST OF SALES		1,311,142	1,327,445
GROSS PROFIT		407,825	365,951
Administrative and other operating expenses		360,605	330,508
Distribution costs		30,912	35,996
OPERATING PROFIT(LOSS)		16,308	(553)
Interest receivable		13,756	21,091
		30,064	20,538
Interest payable	12	2,239	2,611
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	11	27,825	17,927
Tax on profit on ordinary activities	13	8,318	2,114
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	19,507	15,813

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 AUGUST 1990

	1990		1989	
	£	£	£	£
SOURCE OF FUNDS				
From operations				
Group profit on ordinary activities before taxation		27,825		17,927
Adjustment for items not involving the movement of funds:				
Depreciation of tangible fixed assets		92,792		99,589
Profit on disposal of tangible fixed assets		(891)		(2,500)
		<hr/>		<hr/>
TOTAL GENERATED FROM OPERATIONS		119,726		115,016
Funds from other sources				
Proceeds on disposal of tangible fixed assets		2,150		2,500
		<hr/>		<hr/>
		121,876		117,516
APPLICATION OF FUNDS				
Purchase of tangible fixed assets	7,897		33,816	
Taxation paid	22,269		82,852	
	<hr/>		<hr/>	
		30,166		116,668
		<hr/>		<hr/>
NET INFLOW OF FUNDS		91,710		848
		<hr/>		<hr/>
INCREASE(DECREASE) IN WORKING CAPITAL				
Stock and work in progress		48,960		27,229
Debtors		34,840		(82,429)
Creditors: amounts falling due within one year		(29,029)		97,719
Creditors: amounts falling due after more than one year		1,489		3,059
		<hr/>		<hr/>
		56,260		45,578
NET LIQUID FUNDS				
Cash at bank and in hand		35,450		(44,730)
		<hr/>		<hr/>
		91,710		848
		<hr/>		<hr/>

D W GENERAL WOOD MACHINISTS LIMITED

BALANCE SHEET

31 AUGUST 1990

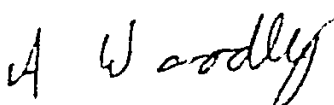
		1990		1989	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	2		871,160		915,629
Investments	3		7,657		7,657
			<hr/>		<hr/>
			878,817		923,286
CURRENT ASSETS					
Stock and work in progress	4	94,597		94,557	
Debtors	5	287,462		263,290	
Cash at bank and in hand		131,653		92,321	
		<hr/>		<hr/>	
		513,712		450,168	
CREDITORS: amounts falling due within one year	6	478,644		529,615	
		<hr/>		<hr/>	
NET CURRENT ASSETS(LIABILITIES)			35,068		(79,447)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			913,885		843,839
			<hr/>		<hr/>
CREDITORS: amounts falling due after more than one year	7	18,951		20,440	
PROVISIONS FOR LIABILITIES AND CHARGES	8	121,609		119,549	
		<hr/>		<hr/>	
			140,560		139,989
			<hr/>		<hr/>
			773,325		703,850
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	9		50,000		50,000
Profit and loss account	10		723,325		653,850
			<hr/>		<hr/>
			773,325		703,850
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors on 4 January 1991.

DIRECTORS E E Dossett



A E Woodley



D W GENERAL WOOD MACHINISTS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31 AUGUST 1990

	£	1990	£	1989	£
SOURCE OF FUNDS					
From operations					
Profit on ordinary activities before taxation			111,583		132,968
Adjustments for items not involving the movement of funds:					
Depreciation of tangible fixed assets			51,107		51,572
Profit on disposal of tangible fixed assets			(891)		-
			<hr/>		<hr/>
TOTAL GENERATED FROM OPERATIONS			161,799		184,540
Funds from other sources					
Proceeds on disposal of tangible fixed assets			2,150		-
			<hr/>		<hr/>
			163,949		184,540
APPLICATION OF FUNDS					
Purchase of tangible fixed assets		7,897		24,142	
Taxation paid		22,152		39,113	
Payment in respect of group relief surrendered		23,300		33,300	
		<hr/>		<hr/>	
			53,349		96,555
			<hr/>		<hr/>
NET INFLOW OF FUNDS			110,600		87,985
INCREASE(DECREASE) IN WORKING CAPITAL			<hr/>		<hr/>
Stock and work in progress			40		2,674
Debtors			24,172		35,077
Creditors: amounts falling due within one year			45,567		(14,038)
Creditors: amounts falling due after more than one year			1,489		3,059
			<hr/>		<hr/>
			71,268		26,772
NET LIQUID FUNDS					
Cash at bank and in hand			39,332		61,213
			<hr/>		<hr/>
			110,600		87,985
			<hr/>		<hr/>

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 1990

1. ACCOUNTING POLICIES

Accounting convention

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

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate the financial statements of D W General Wood Machinists Limited and its subsidiary company, D W Mouldings Limited, made up to 31 August each year. No profit and loss account is presented for D W General Wood Machinists Limited as provided by Section 228(7) of the Companies Act 1985.

Goodwill arising on consolidation

Goodwill arising on consolidation, representing the excess of the purchase price over the fair value of the net assets acquired, has been written off in full against the group's profit and loss account reserve.

Deferred taxation

Provision is made for deferred taxation on the liability method for all short-term timing differences. Provision is also made for long-term timing differences, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.

Depreciation

Depreciation is charged to reduce the cost or valuation of tangible fixed assets to their net realisable values over their estimated useful lives at the following rates

Plant and equipment	-	Over 6 years
Motor vehicles	-	25% per annum on net book values
Fixtures and fittings	-	10% per annum on net book values
Leasehold property over 50 years	-	Over the life of the lease
Freehold properties	-	Over 100 years

Investments

Investments are included in the balance sheet at cost less amounts written off.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

1. ACCOUNTING POLICIES (continued)

Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

In the case of raw materials and consumable stores, cost means purchase price calculated on a first in, first out basis.

Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding value added tax, trade discounts and intragroup sales.

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

2. TANGIBLE FIXED ASSETS

GROUP	Plant and Equipment £	Motor Vehicles £	Fixtures and Fittings £	Leasehold Property over 50 years £	Freehold Property £	Total £
COST						
At 1 September 1989	739,287	64,882	50,153	317,724	487,089	1,659,135
Additions	-	7,897	-	-	-	7,897
Disposals	-	(5,307)	-	-	-	(5,307)
At 31 August 1990	739,287	67,472	50,153	317,724	487,089	1,661,725
DEPRECIATION						
At 1 September 1989	514,970	38,925	24,003	30,095	17,848	625,841
Charge for the year	73,854	8,149	2,615	3,303	4,871	92,792
Released on disposal	-	(4,048)	-	-	-	(4,048)
At 31 August 1990	588,824	43,026	26,618	33,398	22,719	714,585
NET BOOK VALUE						
At 1 September 1989	224,317	25,957	26,150	287,629	469,241	1,033,294
At 31 August 1990	150,463	24,446	23,535	284,326	464,370	947,140

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

2. TANGIBLE FIXED ASSETS (Continued)

COMPANY	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Leasehold Property over 50 years	Freehold Properties	Total
	£	£	£	£	£	£
COST						
At 1 September 1989	245,371	31,534	50,153	317,724	487,089	1,131,871
Additions	-	7,897	-	-	-	7,897
Disposals	-	(5,307)	-	-	-	(5,307)
At 31 August 1990	245,371	34,124	50,153	317,724	487,089	1,134,461
DEPRECIATION						
At 1 September 1989	123,789	20,507	24,003	30,095	17,848	216,242
Charge for the year	35,902	4,416	2,615	3,303	4,871	51,107
Released	-	(4,048)	-	-	-	(4,048)
At 31 August 1990	159,691	20,875	26,618	33,398	22,719	263,301
NET BOOK VALUE						
At 1 September 1989	121,582	11,027	26,150	287,629	469,241	915,629
At 31 August 1990	85,680	13,249	23,535	284,326	464,370	871,160

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

3. FIXED ASSET INVESTMENT

INVESTMENT IN GROUP COMPANY

At 31 August 1990, D W General Wood Machinists Limited held 100% of the issued share capital of D W Mouldings Limited, a company incorporated in the United Kingdom, whose principal activities are those of wood moulders.

	1990 £	1989 £
Investment in subsidiary company (unquoted)		
At cost	7.657	7.657

The directors are of the opinion that the market value of the investment is not less than cost.

GOODWILL ARISING ON CONSOLIDATION

	1990 £	1989 £
1 September 1989	2.657	2.657
Written off to reserves (note 10)	(2.657)	(2.657)
31 August 1990	-	-

Goodwill represents the excess of cost over the fair value of the net assets acquired on the acquisition of D W Mouldings Limited, the company's wholly-owned subsidiary.

4. STOCK AND WORK IN PROGRESS

	GROUP		COMPANY	
	1990	1989	1990	1989
	£	£	£	£
Raw materials and consumables	109,288	60,371	35,629	33,219
Work in progress	38,312	31,202	33,873	30,698
Goods for resale	48,462	55,529	25,095	30,640
	<u>196,062</u>	<u>147,102</u>	<u>94,597</u>	<u>94,557</u>

There were no significant differences between the replacement cost and the values disclosed for all categories of stock.

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

5. DEBTORS

	GROUP		COMPANY	
	1990	1989	1990	1989
	£	£	£	£
Trade debtors	393,446	340,650	248,498	218,195
Other debtors	472	452	472	452
Taxation recoverable	7,213	3,595	-	-
Prepayments and accrued income	72,808	90,784	38,492	44,643
	<u>473,939</u>	<u>435,481</u>	<u>287,462</u>	<u>263,290</u>

All amounts included above are receivable within one year of the balance sheet date.

6. CREDITORS: amounts falling due within one year

	GROUP		COMPANY	
	1990	1989	1990	1989
	£	£	£	£
Secured loans (note 7)	1,489	1,351	1,489	1,351
Unsecured loan (note 7)	-	1,706	-	1,706
Directors' loans (note 6b)	166,845	161,760	166,845	161,760
Trade creditors	158,599	134,670	74,479	78,502
Amounts owed to group companies (note 6a)	-	-	140,906	185,346
Current corporation tax	26,747	32,268	26,747	32,151
Social security and other taxes	55,424	51,843	25,161	25,700
Other creditors	14,542	12,300	14,542	12,300
Accruals and deferred income	44,598	48,838	28,475	30,799
	<u>468,244</u>	<u>444,736</u>	<u>478,644</u>	<u>529,615</u>

a) Group companies

Amounts due to group companies include trade creditors of £124,573 (1989 - £118,372).

D W GENERAL WORK MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

6. CREDITORS: amounts falling due within one year (continued)

b) Directors' loans

At present there are no specific provisions for the repayment of the directors' loans, which represent a medium term, interest free, source of finance for the company.

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

	Group and Holding Company	
	1990	1989
	£	£
Mortgage (7a)	20,440	21,791
Loans (unsecured) (7b)	-	1,706
	<hr/>	<hr/>
	20,440	23,497
Amounts due for repayment within one year as shown under note 6	1,489	3,057
	<hr/>	<hr/>
	18,951	20,440
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a) Mortgage

The mortgage is secured on the leasehold property at Sandy in Bedfordshire, and is repayable by half-yearly instalments of £1,748, including interest charged at 10% per annum on the outstanding reducing balance.

b) Loans (unsecured)

The unsecured loan was fully repaid during the year ended 31 August 1990. The loan was repayable by quarterly instalments of £625, including interest at 11% charged on the outstanding reducing balance.

The mortgage and unsecured loan is repayable as follows

	1990 Group and Holding Company £	1989 Group and Holding Company £
Within 1 year	1,489	3,057
Between 1 and 5 years	7,648	6,937
After 5 years	11,303	13,503
	<hr/>	<hr/>
	20,440	23,497
	<hr/>	<hr/>

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation:	Group		Company	
	1990 £	1989 £	1990 £	1989 £
1 September 1989	129,859	135,439	119,549	119,322
Transfer for the year	(4,812)	(5,580)	2,060	227
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 1990	125,047	129,859	121,609	119,549
	<hr/>	<hr/>	<hr/>	<hr/>

The balance at 31 August 1990 represents the full potential liability and is entirely in respect of accelerated capital allowances.

9. CALLED UP SHARE CAPITAL

	1990 £	1989 £
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
50,000 ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

10. PROFIT AND LOSS ACCOUNT

	Group		Company	
	1990 £	1989 £	1990 £	1989 £
At 1 September 1989	1,117,040	1,101,227	653,850	565,698
Profit for the year (10a)	19,507	15,813	69,475	88,152
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 1990	1,136,547	1,117,040	723,325	653,850
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Goodwill written off to reserves (note 3)	2,657	2,657		
	<hr/>	<hr/>		
	1,133,890	1,114,383		
	<hr/>	<hr/>		
Holding company	723,325	653,850		
Subsidiary company	413,222	463,190		
	<hr/>	<hr/>		
	1,136,547	1,117,040		
Goodwill written off to reserves (note 3)	2,657	2,657		
	<hr/>	<hr/>		
	1,133,890	1,114,383		
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

10a. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	1990	1989
	£	£
Dealt with in the accounts of the holding company	69,475	88,152
Retained by subsidiary company	(49,968)	(72,339)
	<hr/>	<hr/>
	19,507	15,813
	<hr/>	<hr/>

11. TURNOVER AND GROUP PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and group profit on ordinary activities before taxation may be attributed to the joint activities of wood machining and moulding.

Group profit on ordinary activities is stated after charging

	1990	1989
	£	£
Depreciation and amounts written off tangible fixed assets	92,792	99,589
Profit on disposal of tangible fixed assets	(891)	(2,500)
Directors' emoluments (note 15)	125,665	124,626
Auditors' remuneration	11,400	13,826
	<hr/>	<hr/>

12. INTEREST PAYABLE

	1990	1989
	£	£
On loans repayable by instalments:		
Loans repayable within 5 years	93	339
Loans repayable partly in more than 5 years	2,146	2,272
	<hr/>	<hr/>
	2,239	2,611
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

13. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year as follows

	1990 £	Group 1989 £	1990 £	Company 1989 £
United Kingdom corporation tax at between 25% and 35%	13,037	10,069	13,037	10,069
Deferred tax	(4,812)	(5,580)	2,060	227
	<hr/>	<hr/>	<hr/>	<hr/>
Adjustment in respect of prior year	8,225	4,489	15,097	10,296
	93	(2,375)	3,711	1,220
Payment in respect of group relief surrendered	-	-	23,300	33,300
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	8,318	2,114	42,108	44,816
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14. STAFF COSTS

	1990 £	1989 £
Staff costs during the year comprised:-		
Wages and salaries	762,635	831,221
Social security costs	69,190	75,800
Other pension costs	9,150	8,432
Redundancy costs	-	1,728
	<hr/>	<hr/>
	840,975	917,181
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:-

	1990 No.	1989 No.
Factory and shop	56	29
Administration	12	12
	<hr/>	<hr/>
	68	81
	<hr/>	<hr/>

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

15. DIRECTORS' EMOLUMENTS

Directors' remuneration, included in staff costs above, was as follows:-

	1990	1989
	£	£
Directors' fees	106,095	106,095
Pension paid to former director	3,000	3,000
	<hr/>	<hr/>
	109,095	109,095
	<hr/>	<hr/>

The emoluments of the directors, excluding pension contributions, were as follows:-

	1990	1989
	£	£
The chairman, who was also the highest paid director	39,243	38,099
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Emoluments of the other directors fell within the following ranges

	1990	1989
	No.	No.
£0 - £ 5,000	-	-
£ 5,001 - £10,000	1	1
£10,001 - £15,000	-	-
£15,001 - £20,000	1	1
£20,001 - £25,000	-	-
£25,001 - £30,000	2	2

16. CONTINGENT LIABILITIES

- a) The company has entered into cross guarantees in respect of bank borrowings of its subsidiary, the maximum liability under which amounted to £nil (1989 - £nil) at the balance sheet date.
- b) The group has provided a guarantee to Midland Bank in respect of duty deferment to HM Customs and Excise, the maximum liability under which amounts to £1,000 (1989 - £nil).

D W GENERAL WOOD MACHINISTS LIMITED AND ITS SUBSIDIARY COMPANY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 AUGUST 1990

17. PENSION COMMITMENTS

The group operates a pension plan for certain of its senior employees costs of which are calculated annually and charged in the profit and account when they arise. Costs for 1990 amounted to £6,150 (1989 - £5,432

18. CHARGED ASSETS

In addition to the second mortgage in respect of the company's lease property at Sandy, the group's bank, Midland Bank PLC, hold a fixed charge on the group companies' book debts in relation to any bank borrowings. Borrowings at 31 August 1990 amounted to £nil (1989 - £nil).

REPORT OF THE DIRECTORS

CHAIRMAN	E E Dossett
DIRECTORS	A E Woodley B Dossett A Howard
SECRETARY	B Dossett
REGISTERED OFFICE	855/857 High Road Tottenham London N17
REGISTERED NUMBER	607717

FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements of the group for the year ended 31 August 1991.

DIVIDEND

The directors do not recommend the payment of a dividend and the profit for the year has been retained.

REVIEW OF BUSINESS

The group's principal activities during the year were those of wood machinists, wood moulders, and general timber merchants.

Group turnover has remained in line with that of the previous financial year, and operating margins have shown a small improvement.

The volume of business and associated financial risk have been greatly affected by the current economic recession, ecological pressures and the continued decline in demand for moulded timber products associated with the group's major customers.

Although in total operating costs have remained in line with the previous year, administrative costs have been reduced following a reduction in directors' remuneration, and selling and distribution costs have increased due to bad debts.

The results of the group's subsidiary company, D W Mouldings Limited, although improved in relation to the previous financial year, continue to reflect a decline in business connected with moulded timber products. That said, the directors have successfully expanded the volume of business associated with timber sales which previously represented a small proportion of the company's business.

In summary, group turnover amounted to £1,714,615 (1990 - £1,718,967), and the group reports a profit before taxation of £41,242 (1990 - £27,825).

D W GENERAL WOOD MACHINISTS LIMITED

REPORT OF THE DIRECTORS

FUTURE DEVELOPMENTS

The continuing problems brought about by the current economic recession remain cause for concern. The volume of business must increase to historical levels to ensure that the group can operate efficiently and cost effectively.

The directors will continue to promote timber sales to attract further business but recognise the additional associated financial risks.

Although expected to be a difficult year of trading, the directors are confident that the group can improve overall profitability.

FIXED ASSETS

The movements in fixed assets are as shown in the notes to the financial statements.

The directors do not consider that there is any significant difference between the market value and net book value of the group's tangible fixed assets.

DIRECTORS

With the exception of Mrs I J Dossett, who retired from the board of directors on 22 October 1990, the directors in office at the end of the year are as listed on page one, all of whom served on the board throughout the financial year ended 31 August 1991.

The board of directors wish to convey their appreciation for the services provided to the group by Mrs I J Dossett during her term of office.

B Dossett retires by rotation, and being eligible, offers himself for re-election at the forthcoming annual general meeting.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS

The directors' interests in the share capital of the company at 1 September 1990 and at 31 August 1991 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows

Ordinary shares of £1 each		
	31 August 1991	1 September 1990
E E Dossett	5,416	20,250
E E Dossett (Joint Trustee Grandchildren's Settlement)	4,980	5,976
A E Woodley	90	90
B Dossett and family	16,959	11,459
A Howard and family	13,559	8,059
I J Dossett	-	1,666
	<hr/>	<hr/>
	41,004	47,500
	<hr/>	<hr/>

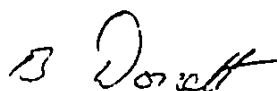
A partner of Menzies, the company's auditors, is a joint trustee with E E Dossett of the Grandchildren's Settlement which holds 4,980 £1 ordinary shares in the company.

At 31 August 1990 and 31 August 1991, E E Dossett, A E Woodley, B Dossett and A Howard each held one £1 ordinary share in D W Mouldings Limited as nominee for D W General Wood Machinists Limited.

AUDITORS

Menzies have expressed their willingness to continue in office as auditors and in accordance with Section 385(2) of the Companies Act 1985, a resolution proposing their re-appointment will be submitted at the forthcoming annual general meeting.

By order of the Board



B Dossett
Secretary

28 January 1992