

NEWCASTLE JOINERY LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2001

COMPANY NUMBER: 02621813



NEWCASTLE JOINERY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2001

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NEWCASTLE JOINERY LIMITED

DIRECTOR'S REPORT

The Director presents his report to the members, together with the financial statements for the year ended 30 April 2001.

PRINCIPAL ACTIVITY

The principal activities of the company are those of shop, hotel and office fitters and decorators and suppliers of specialist joinery, furnishings, upholstery, wall coverings and fabrics.

REVIEW OF ACTIVITIES, FUTURE DEVELOPMENTS AND EVENTS SINCE THE END OF THE YEAR

The profit of the company after taxation, for the year was £3560 (2000: £173634). As a result of negotiations to dispose of the shares in the company the profit and loss account bears an exceptional contribution to the director's pension scheme which has produced a lower profit figure than otherwise would have been expected. The new management team led by the sole director, J N Greenwood, who has a lifetime of experience in the industry sector look forward to the challenge of driving the company forward within a revised and enlarged group structure.

FIXED ASSETS

Details of movements in fixed assets are set out in notes 9 and 10 to the financial statements.

POLITICAL AND CHARITABLE DONATIONS

During the year the company made charitable donations in the UK of £870 (2000:£576).

DIRECTORS

The directors of the company and their beneficial interests in the shares of the company at the beginning and end of the year are as follows:

	Class of Share	Ordinary Shares of £1 each	
		2001	2000
D W McGlashan	Ordinary	49601	49601
Mrs E A McGlashan	Ordinary	12401	12401

No member of the board had any beneficial interest in the shares of the subsidiary company during the year.

Subsequent to the end of the financial year D W McGlashan and Mrs E A McGlashan resigned as directors of the company. J N Greenwood was appointed as director subsequent to the end of the financial year.

NEWCASTLE JOINERY LIMITED
DIRECTOR'S REPORT – CONTINUED

THE INTRODUCTION OF THE EURO

The director does not consider that the entry of sterling into the Euro, nor the introduction of the Euro should have any detrimental effect on the company's position.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 for that period. In preparing those financial statements, the director is required to:

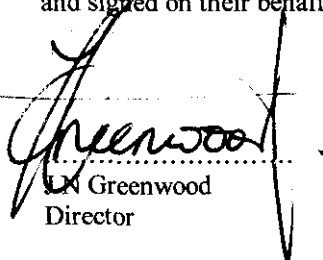
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is in appropriate to presume that the company will continue in business.

The director is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

AUDITORS

Ryecroft Glenton resigned as auditors subsequent to the end of the financial year and Sochall Smith were appointed as auditors. A resolution to re-appoint Sochall Smith as auditors will be proposed at the Annual General Meeting.

Approved by the board of directors
and signed on their behalf by:



J. Greenwood
Director

25 February 2002

NEWCASTLE JOINERY LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
NEWCASTLE JOINERY LIMITED**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to sixteen together with the full financial statements of the company for the year ended 31 March 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

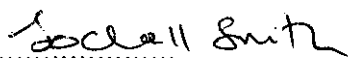
The director is responsible for preparing the financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3)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

Basis of Audit Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, the abbreviated financial statements on pages four to sixteen are properly prepared in accordance with that provision.


.....
Sochall Smith
Chartered Accountants and Registered Auditors
3 Park Square
Leeds
LS1 2NE

25 February 2002

NEWCASTLE JOINERY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2001

	Notes	2001 £	2000 £
GROSS PROFIT		908253	900691
Other operating profit		6250	6250
Administrative expenses		(781372)	(684628)
Exceptional item	3	(120000)	-
OPERATING PROFIT	3	13131	222313
Income from shares in group undertakings	10	-	244505
Interest receivable and similar income		4243	4985
Amounts written off investments	10	-	(244505)
Interest payable and similar charges	6	(11718)	(10581)
PROFITS ON ORDINARY ACTIVITIES BEFORE TAXATION		5656	216717
Tax on profit on ordinary activities	7	(2096)	(43083)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		3560	173634
DIVIDENDS	8	-	75000
RETAINED (LOSS)/PROFIT FOR THE YEAR	19	3560	98634

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses in 2001 and 2000 other than the profit for the year.

There is no material difference between the profit disclosed above and the result on an unmodified historical cost basis.

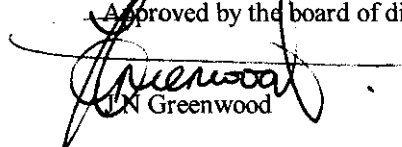
The notes on pages 8 to 16 form an integral part of these financial statements.

NEWCASTLE JOINERY LIMITED
BALANCE SHEET AS AT 30 APRIL 2001

	Notes	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	9	402619	464631
Investments	10	10000	10000
		<u>412619</u>	<u>474631</u>
CURRENT ASSETS			
Stocks	11	212901	128579
Debtors	12	832224	583180
Cash at bank and in hand		177595	124935
		<u>1222720</u>	<u>836694</u>
CREDITORS: Amounts falling due within one year	14	887925	503405
NET CURRENT ASSETS		<u>334795</u>	<u>333289</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>747414</u>	<u>807920</u>
CREDITORS: Amounts falling due after more than one year	14	10000	63693
PROVISIONS FOR LIABILITIES AND CHARGES	16	1435	5558
ACCRUALS AND DEFERRED INCOME	17	6250	12500
		<u>17685</u>	<u>81751</u>
		<u>729729</u>	<u>726169</u>
CAPITAL AND RESERVES			
Called up share capital	18	62002	62002
Share premium account		10884	10884
Revaluation reserve	19	50540	50540
Profit and loss account	19	606303	602743
SHAREHOLDERS' FUNDS	22	<u>729729</u>	<u>726169</u>

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

Approved by the board of directors on 25 February 2002 and signed on their behalf:


J. Greenwood

The notes on pages 8 to 16 form part of an integral part of these financial statements

NEWCASTLE JOINERY LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2001

Reconciliation of operating profit to net cashflow from operating activities

	2001 £	2000 £
Operating profit	13131	222313
Depreciation charges	82535	75301
(Increase) in stocks	(84322)	(7160)
(Increase)/decrease in debtors	(249044)	434480
Increase/(decrease) in creditors	445742	(270338)
Gain on sale of fixed assets	-	(5681)
Grant release	(6250)	(6250)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>201792</u>	<u>442665</u>

CASHFLOW STATEMENT

Net cash inflow from operating activities		201792	442665
Returns on investments and servicing of finance	1	(7475)	(5626)
Corporation tax paid		(38336)	(35031)
Capital expenditure	1	(20523)	(38350)
Dividends paid		(25000)	(115000)
Cash inflow before use of liquid resources and financing		<u>110458</u>	<u>248658</u>
Financing	1	(57798)	(32934)
Increase in cash		<u>52660</u>	<u>215724</u>

Reconciliation of net cash flow to movement in net funds

	2001 £	2000 £
Increase in cash for the year	52660	215724
Cash outflow from decrease in amounts borrowed	57798	32934
Change in net funds resulting from cash flows	<u>110458</u>	<u>248658</u>
Net funds/(debt) at 1 May 2000	8808	(239850)
Net cash at 30 April 2001	<u>119266</u>	<u>8808</u>

NEWCASTLE JOINERY LIMITED
NOTES TO THE CASHFLOW STATEMENT
YEAR ENDED 30 APRIL 2001

**1. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASHFLOW STATEMENT**

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest payable	(11718)	(10581)
Interest receivable	4243	4955
	<u>(7475)</u>	<u>(5626)</u>
Capital expenditure		
Payments to acquire tangible fixed assets	(20523)	(47427)
Receipts from sales of tangible fixed assets	-	9077
	<u>(20523)</u>	<u>(38350)</u>
Financing		
New loans obtained	-	19000
Repayment of amounts borrowed	(57798)	(51934)
	<u>(57798)</u>	<u>(32934)</u>

**2. ANALYSIS OF CHANGES IN THE BALANCES OF
FUNDS AND NET DEBT**

	At 1 May 2000 £	Cash flows £	At 30 April 2001 £
Cash at bank and in hand	124935	52660	177595
Debt due within one year	(62434)	4105	(58329)
Debt due after one year	(53693)	53693	-
	<u>8808</u>	<u>110458</u>	<u>119266</u>

NEWCASTLE JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2001

1. ACCOUNTING POLICIES

Accounting convention and accounting standards

The financial statements are prepared under the historical cost convention modified by the revaluation of investments in which the company has a controlling interest, and in accordance with applicable accounting standards.

2. Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's ordinary activities, after deduction of trade discounts value added tax and any other taxes based on turnover.

Depreciation

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold property	over remaining lease term
Plant and machinery	10% straight line
Furniture, fixtures and equipment	10/25% straight line
Motor vehicles	25% straight line

Leased assets

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease. Operating lease rentals are charged to profit and loss account as incurred.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Deferred Taxation

Provisions are made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that the liability or asset will crystallise in the foreseeable future.

Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company to the scheme are charged to profit and loss account as incurred.

Group accounts

The Companies Act 1989 introduced exemptions for small or medium sized groups allowing them to provide members with financial statements of the holding company in place of consolidated financial statements. Details of the subsidiary company are set out at note 10 and are in accordance with Schedule 5 of the Companies Act 1985.

NEWCASTLE JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2001

Investments

Investment is shown at valuation determined by the directors.

Government Grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over a period of four years by equal instalments.

2. TURNOVER

No details of turnover are required to be disclosed by virtue of the company taking advantage of the exemptions available to small companies within the Companies Act 1985.

3. OPERATING PROFIT

	2001 £	2000 £
The operating profit is stated after charging/(crediting):		
Depreciation on tangible fixed assets	82535	75301
Staff costs (note 4)	1919355	1673968
Auditors' remuneration	12000	12000
Hire of equipment	13046	10224
Gain on sale of fixed assets	-	(5681)
Government grant release	(6250)	(6250)
	<u>1919355</u>	<u>1673968</u>

The exceptional item of £120000 represents a single contribution to the pension scheme established in favour of D W McGlashan.

4. PARTICULARS OF STAFF AND PENSIONS

	2001 £	2000 £
Staff costs, including directors remuneration (note 5) were as follows:		
Wages and salaries	1633619	1506632
Social security costs	139201	131988
Other pension costs	146535	35348
	<u>1919355</u>	<u>1673968</u>

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

	Number 2001	Number 2000
Administration	13	15
Production	56	58
	<u>69</u>	<u>73</u>

NEWCASTLE JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

YEAR ENDED 30 APRIL 2001

5. DIRECTORS REMUNERATION

	2001	2000
	£	£
Aggregate emoluments	75225	73895
Company pension contributions to money purchase schemes	123754	22748
	<u>198979</u>	<u>96643</u>

Retirement benefits are accruing to D W McGlashan under a money purchase scheme.

6. INTEREST PAYABLE

	2001	2000
	£	£
Interest payable on bank loans and overdrafts and on loans payable in full within five years	6269	6409
Hire purchase interest	4605	4168
Other interest	-	4
	<u>2096</u>	<u>10581</u>

7. TAX ON RESULTS ON ORDINARY ACTIVITIES

	2001	2000
	£	£
UK Corporation tax at 18.6% (2000 20%)	5269	38386
Deferred tax	(4123)	4277
(Over)/under provision re earlier years	(50)	420
	<u>1096</u>	<u>43083</u>

8. DIVIDENDS

	2001	2000
	£	£
Dividends paid	-	50000
Dividends proposed	-	25000
	<u>-</u>	<u>75000</u>

NEWCASTLE JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
YEAR ENDED 30 APRIL 2001

9. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Plant and Machinery £	Furniture Fixtures and Equipment £	Motor Vehicles £	Total £
Cost of valuation:					
At 1 May 2000	223792	151957	129894	203124	708767
Additions	-	12973	710	6840	20523
At 30 April 2001	<u>223792</u>	<u>164930</u>	<u>130604</u>	<u>209964</u>	<u>729290</u>
Depreciation					
At 1 May 2000	6640	69675	82987	84834	244136
Charge for year	3324	13355	19960	45896	82535
At 30 April 2001	<u>9964</u>	<u>83030</u>	<u>102947</u>	<u>130730</u>	<u>326671</u>
Net Book Value					
At 30 April 2001	<u>213828</u>	<u>81900</u>	<u>27657</u>	<u>79234</u>	<u>402619</u>
At 30 April 2000	<u>217152</u>	<u>82282</u>	<u>46907</u>	<u>118290</u>	<u>464631</u>

The historical cost of the long leasehold property to the subsidiary company was £89460. The property was valued by JS Deaking, Chartered Surveyor on 24 January 1989, on the basis of open market value for current use, this formed the basis for value used in the transfer to this company.

Since which time extensions costing £83792 have been completed.

A further valuation was carried out by Colleys Chartered Surveyors during the year ended 30 April 2000. The property was valued at £255,000 on the basis of open market for current use.

The net book amount of tangible fixed assets includes £60644 (2000:£96632) in respect of assets held under finance leases. Depreciation charged on those assets amounted to £35988 (2000:£32138).

	2001	2000
Capital commitments		
Capital commitments at the year and for which no provision has been made	<u>-</u>	<u>-</u>

NEWCASTLE JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

YEAR ENDED 30 APRIL 2001

10. INVESTMENTS

a. At Valuation

Unlisted shares in group undertaking
Vitalhaste Limited

	2001	2000
	£	£
At 1 May 2000	10000	254505
Amount written off investment	-	(244505)
At 30 April 2001	<u>10000</u>	<u>10000</u>

b. Vitalhaste Limited

Newcastle Joinery Limited owns 100% of the issued share capital of Vitalhaste Limited, a dormant company registered in England and Wales.

Vitalhaste Limited has an issued share capital of 10,000 £1 ordinary shares.

Group financial statements have not been prepared for the reasons set out at note 1 to the financial statements.

The aggregate amount of capital and reserves of Vitalhaste Limited at 30 April 2001 and its profit turnover for the year then ended were as follows:

	2001	2000
	£	£
Capital and retained reserve	<u>10000</u>	<u>10000</u>
Retained loss for the year	<u>-</u>	<u>(244505)</u>
Turnover	<u>-</u>	<u>-</u>

In the opinion of the directors the aggregate value of the assets of the company consisting of shares in the company's subsidiary undertaking is not less than the aggregate of the amounts at which those assets are stated or included in the company's balance sheet.

NEWCASTLE JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

YEAR ENDED 30 APRIL 2001

c. Other Investments

The company is the registered holder of 204 ordinary shares of 20p each in Halifax Group plc. The shares were received free of charge on the transfer of the business of Halifax Building Society to Halifax plc. The market value of the shares at 30 April 2001 was £1068 (2000:£1191).

11. STOCKS AND WORK IN PROGRESS

	2001 £	2000 £
Raw materials and consumables	48565	39765
Short term work in progress	164336	88814
	<u>212901</u>	<u>128579</u>

12. DEBTORS

	2001 £	2000 £
Trade debtors	825544	557574
Other debtors	501	16725
Prepayments and accrued income	6179	8881
	<u>832224</u>	<u>583180</u>

13. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	445526	227578
Social security and other taxes	187942	99705
Borrowings (note 15)	58329	62434
Corporation tax	6269	38386
Other creditors	27203	13104
Accruals and deferred income	162656	37198
Proposed dividend	-	25000
	<u>887925</u>	<u>503405</u>

NEWCASTLE JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

YEAR ENDED 30 APRIL 2001

**14. CREDITORS: Amounts falling due
after more than one year**

	2001	2000
	£	£
Borrowings (note 15)	-	53693
Amounts owed to group undertakings	10000	10000
	<u>10000</u>	<u>63693</u>

15. BORROWINGS

	2001	2000
	£	£
Due within one year:		
Bank loan	40228	24000
Loan – Newcastle City Council	-	2333
Obligations under finance leases	18101	36101
	<u>58329</u>	<u>62434</u>
Due between one and two years:		
Bank loan	-	24000
Obligations under finance leases	-	18101
Due between two and five years:		
Bank loan	-	11592
	<u>-</u>	<u>53693</u>
Total borrowings	<u>58329</u>	<u>116127</u>

NEWCASTLE JOINERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

YEAR ENDED 30 APRIL 2001

At 30 April 2001 the bank loan and overdraft were secured by way of a charge on the company's leasehold property and also on the life of D W McGlashan.

The bank loan was repaid subsequent to the end of the financial year.

The loan from Newcastle City Council is interest free and is repayable at £1985 per month.

16. PROVISION FOR LIABILITIES AND CHARGES

	2001	2000
	£	£
Deferred taxation:		
Provided		
Accelerated capital allowances	2685	8058
Timing differences	(1250)	(2500)
	<u>1435</u>	<u>5558</u>
	=====	=====

17. ACCRUALS AND DEFERRED INCOME

	2001	2000
	£	£
Deferred government grants		
Balance at 1 May 2000	12500	18750
Released to profit and loss account	(6250)	(6250)
	<u>6250</u>	<u>12500</u>
	=====	=====

18. CALLED UP SHARE CAPITAL

	2001	2000
	£	£
Ordinary shares of £1 each		
Authorised	100000	100000
	=====	=====
Issued and fully paid	62002	62002
	=====	=====

NEWCASTLE JOINERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
YEAR ENDED 30 APRIL 2001

19. STATEMENT OF MOVEMENT ON RESERVES

	Profit and loss account £	Revaluation reserve £
As at 1 May 2000	602743	50540
Retained loss for the year	3560	-
As at 30 April 2001	<u>606303</u>	<u>50540</u>

20. FINANCIAL COMMITMENTS

Operating leases

At 30 April 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Expiry date:		
In over five years	3590	3590

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company and amounted to £146535 (2000:£35348). At 30 April 2001 contributions amounting to £495 had been paid in advance and are included in debtors (2000:£299)

22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	3560	173634
Dividends	-	(75000)
Net increase in shareholders' funds	<u>3560</u>	<u>98634</u>
Opening shareholders' funds	729729	627535
Closing shareholders' funds	<u>725729</u>	<u>726169</u>

23. ULTIMATE CONTROL

The company is under the ultimate control of the director.