

KENSWORTH SAWMILLS LIMITED

COMPANY NO: 2687478

REPORT AND ACCOUNTS

Year ended 31st January, 1996

P.J. GREENACRE & CO.

CHARTERED ACCOUNTANTS



A09 *A7T74R1D* 519
COMPANIES HOUSE 28/11/96

KENSWOTRH SAWIMILLS LIMITED

Annual Report and Financial Statements **Year Ended 31st January, 1996**

Contents

- 1 Officers and Professional Advisers**
- 2 Report of the Director**
- 3 Statement Of The Director's Responsibilities**
- 4 Profit and Loss Account**
- 5 Balance Sheet**
- 6 - 10 Notes To The Accounts**
- 11 Accountants' Report**

KENSWORTH SAWMILLS LIMITED

Officers and Professional Advisers

Director R. G. Andrews

Secretary N. I.G. Jones

**Registered Office Kensworth Sawmills
 Dove House Lane
 Kensworth
 Beds.
 LU6 2PQ**

Registered No. 2687478

**Accountants' P.J.Greenacre & Co.
 Chartered Accountants
 The Willows
 56 Ruggles-Brise Road
 Ashford
 Middlesex
 TW15 3LS**

KENSWORTH SAWMILLS LIMITED

Report of the Director

Year Ended 31st January 1996

The director submits his report together with the financial statements for the year ended 31st January, 1996.

Principal Activities and Review of Business Developments

The principal activities of the company continues to be that of Carpentry and Joinery.

The company changed its name from "Kensworth Sawmills & Joinery Limited" to "Kensworth Sawmills Limited" on 18th December, 1995.

The director is pleased to report an increase in turnover during the year. However profitability has declined due to competitive pressures and a general rise in the cost of importing timber.

The director expects to maintain the level of profitability in the forthcoming year.

The director increased the issued ordinary share capital of the company by 998 shares during the year in order to provide additional working capital.

Since the end of the financial year no events have occurred which although properly excluded from the financial statements, are such importance that the shareholders should be made aware of them.

Research and Development

The company is not engaged in any research and development projects.

Results and Dividends

The results are set out in the Profit and Loss Account on page 4 and show a profit before taxation of £ 12,804 compared to a profit of £ 45,832 in the previous year. The director does not recommend the payment of a dividend. The retained profit for the financial year amounting to £ 11,990 reduces the adverse balance on Reserves, the movement of which is set out in note 13 to the accounts.

Director's Interests

Ordinary shares of £1 each

	<u>31st January, 1996</u>	<u>31st January 1995</u>
R. G. Andrews	999	1

Fixed Assets

Movements on fixed assets are set out in note 7 to the accounts.

KENSWORTH SAWMILLS LIMITED

Report of The Director (Continued)

Year Ended 31st January 1996

Statement Of The 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 company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

1. Select suitable accounting policies and then to apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. Prepare the financial statements on the going concern basis unless it is inappropriate 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 enable them 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.

By order of the Board

R.G. Andrews



Chairman

18th November, 1996

KENSWORTH SAWMILLS LIMITED

Profit and Loss Account

Year Ended 31st January, 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
Turnover	2.	348232	329821
Cost of Sales		<u>253328</u>	<u>186705</u>
Gross Profit		94904	143116
Distribution Costs		11637	11464
Administrative Expenses		<u>70083 81720</u>	<u>85340 96804</u>
Operating Profit	3.	13184	46312
Interest Payable	5.	<u>380</u>	<u>480</u>
Profit Before Taxation		12804	45832
Taxation	6.	<u>814</u>	<u>-</u>
Profit For The Financial Year	13.	£ 11990 =====	£ 45832 =====

There were no recognised gains or losses other than those shown in the profit and loss account.

None of the company's operations were acquired or discontinued during the year.

The notes on pages 6 to 10 form part of these financial statements.

KENSWORTH SAWMILLS LIMITED

Balance Sheet

As At 31st January 1996

<u>Assets Employed :</u>	<u>Notes</u>	<u>1996</u>	<u>1995</u>
Fixed Assets			
Tangible Assets	7.	14659	11137
Current Assets			
Stock	8.	31500	27200
Debtors	9.	25565	35968
Cash in hand and at Bank		<u>1440</u>	<u>100</u>
		58505	63268
Creditors:			
Amounts falling due within one year	10.	<u>(71715)</u>	<u>(85944)</u>
Net Current Liabilities		<u>(13210)</u>	<u>(22676)</u>
Total Assets Less Current Liabilities		£ 1449 =====	£ (11539) =====


Financed By :

Capital and Reserves			
Called Up Share Capital	12.	1000	2
Profit and Loss Account	13.	<u>449</u>	<u>(11541)</u>
		£ 1449 =====	£ (11539) =====

The director has taken advantage of S249 A (2) of the Companies Act 1985 in not having these accounts audited and confirms that no notice has been deposited under S249B (2) of the Act.

The director acknowledges his responsibility for ensuring that the Company keeps proper accounting records which comply with S221 of the Act. The director also acknowledges his responsibility for preparing accounts which give a true and fair view of the Company as at 31st January, 1996 and of its profit for the year then ended, in accordance with the requirements of this Act relating to accounts, so far as applicable to the Company.

These accounts were approved by the Board on 18th November, 1996.

 Director

R. G. Andrews

The notes on pages 6 to 10 form part of these financial statements.

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31st January 1996

1. Accounting Policies

1.1 Basis of Accounts

The financial statements have been prepared under the historical cost convention, with assets carried in the balance sheet at or below their cost incurred at their dates of acquisition and without regard to their replacement cost.

1.2 Depreciation

Depreciation is provided to write off the cost less estimated residual value of all fixed assets over their expected useful lives on the following annual bases:

Motor vehicles	-	20% on Cost.
Plant and Equipment	-	20% on Cost

1.3 Stock and Work in Progress

Stock and Work in Progress are valued at the lower of cost and estimated net realisable value. Cost includes direct materials, direct labour, production overheads and an appropriate proportion of administrative costs.

1.4 Deferred Taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that a liability is expected to crystallise within the foreseeable future. No provision is currently necessary.

1.5 Cashflow Statement

The company is entitled to the exemption conferred by section 246 to 249 of the Companies Act 1985 from the requirement to prepare a cashflow statement.

2. Turnover

Turnover represents the invoice value, excluding Value Added Tax, of goods and services provided in the year.

3. Operating Profit

Stated after charging:	<u>1996</u>	<u>1995</u>
Operating Lease Rentals	15000	15833
Depreciation	4810	4415
Director's Emoluments	20400	18900
	=====	=====

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31st January 1996

4. Staff Numbers and Costs

The average weekly number of employees, including the director, during the year was as follows:

	<u>1996</u>	<u>1995</u>
Office and Management	2	2
Manufacturing	<u>10</u>	<u>9</u>
	12	11
	===	===

Staff Costs (including the Director's Remuneration)
Consists of:

Wages and Salaries	96477	96480
Social Security Costs	<u>9081</u>	<u>9039</u>
	£ 105558	£ 105789
	=====	=====

Director's Emoluments Consist of:

Management Remuneration	£ 20400	£ 18900
	=====	=====

5. Interest Payable

Loan Interest Payable	£ 380	£ 480
	=====	=====

6. Taxation

Corporation Tax Payable based on the assessable profits for the year at 25%	£ 814	£ -
	=====	=====

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31st January 1996

7. Tangible Fixed Assets

	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
At 1st February, 1995	15575	6487	22062
Additions	<u>8332</u>	<u>-</u>	<u>8332</u>
At 31st January, 1996	<u>23907</u> =====	<u>6487</u> =====	<u>30394</u> =====
 <u>Aggregate Depreciation</u>			
At 1st February, 1995	6955	3970	10925
Charge for the Year	<u>3512</u>	<u>1298</u>	<u>4810</u>
At 31st January, 1996	<u>10467</u> =====	<u>5268</u> =====	<u>15735</u> =====
 <u>Net Book Values:</u>			
At 31st January, 1995	<u>8620</u> =====	<u>2517</u> =====	<u>£ 11137</u> =====
At 31st January, 1996	<u>13440</u> =====	<u>1219</u> =====	<u>£ 14659</u> =====

8. Stock

	<u>1996</u>	<u>1995</u>
Raw Materials and Consumables	26800	25700
Work in Progress	<u>4700</u>	<u>1500</u>
	<u>£ 31500</u> =====	<u>£ 27200</u> =====

The replacement cost of stock is not materially different to the above value.

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31st January 1996

	<u>1996</u>	<u>1995</u>
9. Debtors: Due within one year		
Trade debtors	24415	31668
Prepayments	<u>1150</u>	<u>4300</u>
	£ 25565	£ 35968
	=====	=====
10. Creditors: Falling due within one year		
Overdraft	-	5525
Trade Creditors	21220	30490
Corporation Tax	814	-
Social Security costs and other taxes	11452	13029
Director's Current Account	6415	17230
Other Creditors	2524	3490
Pension Fund Loan	4830	4830
Accruals	<u>24460</u>	<u>11350</u>
	£ 71715	£ 85944
	=====	=====
11. Leases And Hire Purchase Agreements		

The Company has no Finance Lease or Hire Purchase Agreements.

Operating Leases:

Rental commitments for the year to 31st January, 1997 under operating leases:

	<u>Land and Buildings</u>	<u>Other</u>
Expiring within one year	-	-
Expiring after one year, but within five years	15000	-
Expiring after five years	<u>-</u>	<u>-</u>
	£ 15000	£ -
	=====	=====

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31st January 1996

12. <u>Called up Share Capital</u>	<u>1996</u>	<u>1995</u>
Authorised:		
1000 Ordinary shares of £1 each	£ 1000 =====	£ 1000 =====
Issued and Fully Paid:		
1000 Ordinary shares of £1 each	£ 1000 =====	£ 2 =====
 13. <u>Profit and Loss Account</u>		
Balance at 1st February, 1995	(11541)	(57373)
Profit For The Financial Year	<u>11990</u>	<u>45832</u>
Balance at 31st January, 1996	£ 449 =====	£ (11541) =====
 14. <u>Reconciliation Of Shareholders' Funds</u>		
New Shares Issued	998	-
Profit For The Financial Year	11990	45832
Shareholders' Funds at 1st February, 1995	<u>(11539)</u>	<u>(57371)</u>
Shareholders' Funds at 31st January, 1996	£ 1449 =====	£ (11539) =====

The company issued 998 ordinary shares at par in order to provide additional working capital.