

KENSWORTH SAWMILLS LIMITED

COMPANY NO: 2687478

REPORT AND ACCOUNTS

Year ended 31 January 1998

P.J. GREENACRE & CO.

CHARTERED ACCOUNTANTS



KENSWORTH SAWMILLS LIMITED

Annual Report and Financial Statements

Year Ended 31 January 1998

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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

Auditors' **P.J.Greenacre & Co.
Chartered Accountants
Paragon House
29 Daws Lea
High Wycombe
Bucks
HP11 1QG**

KENSWORTH SAWMILLS LIMITED

Report of the Director

Year Ended 31 January 1998

The director submits his report together with the audited financial statements for the year ended 31 January 1998.

Principal Activities and Review of Business Developments

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

The director is pleased to report an increase in turnover and profitability during the year.

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

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 £ 14,456 compared to a profit of £ 10949 in the previous year. The director does not recommend the payment of a dividend. The retained profit for the financial year amounting to £ 12,318 increases the balance on Reserves, the movement of which is set out in note 14 to the accounts.

Director's Interests

	<u>Ordinary shares of £1 each</u>	
	<u>31 January 1998</u>	<u>31 January 1997</u>
R. G. Andrews	999	999

Fixed Assets

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

Auditors'

P. J. Greenacre & Co., Registered Auditors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

KENSWORTH SAWMILLS LIMITED

Report of The Director (Continued)

Year Ended 31 January 1998

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

10th June 1998

KENSWORTH SAWMILLS LIMITED**Profit and Loss Account****Year Ended 31 January 1998**

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
Turnover	2.	461277	418474
Cost of Sales		<u>330090</u>	<u>294876</u>
Gross Profit		131187	123598
Distribution Costs		14949	14310
Administrative Expenses		<u>99447</u> <u>114396</u>	<u>95302</u> <u>109612</u>
Operating Profit	3.	16791	13986
Other Income		<u>162</u>	<u>-</u>
		16953	13986
Interest Payable	5.	<u>2497</u>	<u>3037</u>
Profit Before Taxation		14456	10949
Taxation	6.	<u>2138</u>	<u>3204</u>
Profit For The Financial Year	14.	£ <u>12318</u>	£ <u>7745</u>

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 31 January 1998

Assets Employed :	<u>Notes</u>	<u>1998</u>	<u>1997</u>
Fixed Assets			
Tangible Assets	7.	51047	33259
Current Assets			
Stock	8.	35453	33983
Debtors	9.	55134	47256
Cash in hand and at Bank		<u>5709</u>	<u>100</u>
		96296	81339
Creditors:			
Amounts falling due within one year	10.	<u>103882</u>	<u>85455</u>
Net Current Liabilities		<u>(7586)</u>	<u>(4116)</u>
Total Assets Less Current Liabilities		43461	29143
Creditors:			
Amounts falling due after one year	11.	<u>21949</u>	<u>19949</u>
		<u>£ 21512</u>	<u>£ 9194</u>
Financed By :			
Capital and Reserves			
Called Up Share Capital	13.	1000	1000
Profit and Loss Account	14.	<u>20512</u>	<u>8194</u>
		<u>£ 21512</u>	<u>£ 9194</u>

These accounts were approved by the Board on 10th June, 1998.



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 31 January 1998

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.

1.5 Cash Flow 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 cash flow statement.

1.6 Leases and Hire Purchase Agreements

Assets obtained under Hire Purchase Agreements and Finance Leases are capitalised and depreciated in accordance with Note 1.2 above. Finance charges and Hire Purchase interest are calculated on a straight line basis over the lower of the estimated useful life of the asset or the length of the agreement. Operating lease rentals are written off as incurred.

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>1998</u>	<u>1997</u>
Operating Lease Rentals	15000	15000
Depreciation	17237	9951
Loss on disposal of vehicle	1084	1275
Auditors' Remuneration	800	700
Director's Emoluments	20400	20400

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31 January 1998

4. Staff Numbers and Costs

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

	<u>1998</u>	<u>1997</u>
Office and Management	2	2
Manufacturing	<u>12</u>	<u>12</u>
	<u>14</u>	<u>14</u>

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

Wages and Salaries	123878	120499
Social Security Costs	<u>11274</u>	<u>11692</u>
	£ <u>135152</u>	£ <u>132191</u>

Director's Emoluments Consist of:

Management Remuneration	£ <u>20400</u>	£ <u>20400</u>
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5. Interest Payable

Hire Purchase Interest	1597	1537
Loan Interest Payable	<u>900</u>	<u>1500</u>
	£ <u>2497</u>	£ <u>3037</u>

6. Taxation

Corporation Tax Payable based on the
assessable profits for the year at 21%

£ <u>2138</u>	£ <u>3204</u>
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KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31 January 1998

7. Tangible Fixed Assets

	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
At 1 February 1997	37183	21337	58520
Disposals	-	(14850)	(14850)
Additions	<u>31873</u>	<u>12898</u>	<u>44771</u>
At 31 January 1998	<u>69056</u>	<u>19385</u>	<u>88441</u>

Aggregate Depreciation

At 1 February 1997	15811	9450	25261
Disposals	-	(5104)	(5104)
Charge for the Year	<u>13812</u>	<u>3425</u>	<u>17237</u>
At 31 January 1998	<u>29623</u>	<u>7771</u>	<u>37394</u>

Net Book Values:

At 31 January 1997	<u>21372</u>	<u>11887</u>	£	<u>33259</u>
At 31 January 1998	<u>39433</u>	<u>11614</u>	£	<u>51047</u>

8. Stock

	<u>1998</u>	<u>1997</u>
Raw Materials and Consumables	34023	32933
Work in Progress	<u>1430</u>	<u>1050</u>
	£ <u>35453</u>	£ <u>33983</u>

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

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31 January 1998

	<u>1998</u>	<u>1997</u>
9. <u>Debtors: Due within one year</u>		
Trade debtors	55134	45836
Prepayments	-	1420
	<u>£ 55134</u>	<u>£ 47256</u>
10. <u>Creditors: Falling due within one year</u>		
Bank Overdraft	20918	6770
Trade Creditors	34206	21432
Corporation Tax	2952	4018
Social Security costs and other taxes	20889	19512
Director's Current Account	6879	6997
Other Creditors	4373	3680
Pension Fund Loan	3000	3000
Hire Purchase Liabilities	5875	6886
Accruals	<u>4790</u>	<u>13160</u>
	<u>£ 103882</u>	<u>£ 85455</u>
11. <u>Creditors: Falling due after one year</u>		
Pension Fund Loan	6000	9000
Hire Purchase Liabilities	<u>15949</u>	<u>10949</u>
	<u>£ 21949</u>	<u>£ 19949</u>

KENSWORTH SAWMILLS LIMITED

Notes To The Accounts

Year Ended 31 January 1998

	<u>1998</u>	<u>1997</u>
12. <u>Leases And Hire Purchase Agreements</u>		
Finance Leases and Hire Purchase Agreements		
The company had net obligations as follows :		
Repayable within one year	5875	6886
Repayable after one year but within five years	<u>15949</u>	<u>10949</u>
	£ 21824	£ 17835
Details of Fixed Assets held under Hire Purchase Agreements comprise :		
	<u>Plant & Equipment</u>	<u>Motor Vehicle</u>
Depreciation Charge for the year	£ 4080	£ 1392
Net Book Value at 31 January 1998	£ 16320	£ -
Operating Leases:		
Rental commitments for the year to 31 January 1998 under operating leases:		
	<u>Land and Buildings</u>	<u>Other</u>
Expiring after one year, but within five years	£ 15000	£ -
13. <u>Called up Share Capital</u>	<u>1998</u>	<u>1997</u>
Authorised, Issued and Fully Paid:		
1000 Ordinary shares of £1 each	£ 1000	£ 1000
14. <u>Profit and Loss Account</u>		
Balance at 1 February 1997	8194	449
Profit For The Financial Year	<u>12318</u>	<u>7745</u>
Balance at 31 January 1998	£ 20512	£ 8194
15. <u>Reconciliation Of Shareholders' Funds</u>		
Profit For The Financial Year	9194	7745
Shareholders' Funds at 1 February 1997	<u>12318</u>	<u>1449</u>
Shareholders' Funds at 31 January 1998	£ 21512	£ 9194

KENSWORTH SAWMILLS LIMITED

Report Of The Auditor

Year Ended 31 January 1998

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities Of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis Of Opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

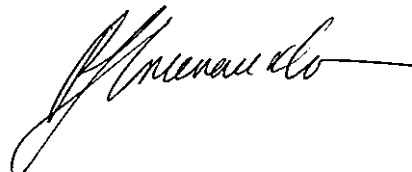
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st January 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Paragon House
29 Daws Lea
High Wycombe
Bucks HP11 1QG

10th June 1998



P.J. Greenacre & Co.
Chartered Accountants
& Registered Auditors