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DALCROSS SAWMILLS LIMITED

Financial Accounts

Year Ended 31st March 1995



*M G McNeill
Certified Accountant
3 Beaufort Road
Inverness
IV2 3NP*

NZ

DALCROSS SAWMILLS LIMITED

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DALCROSS SAWMILLS LIMITED

DIRECTOR'S REPORT

For the Year Ended 31st March 1995

The Director of the Company presents his Report and Financial Statements for the year ended 31st March 1995.

Activities and Trading Review:

The Principal activity of the Company during the year was the purchase and preparation of timber products for re-processing.

The Director is happy to see turnover still increasing and is encouraged to see emerging profits. The Director feels that the problems experienced during past years are now behind the Company and looks forward to a year of continuing growth.

Financial:

The Profit for the year amounted to £ 20,519 (Last Year £1,791) after taxation which has been added to the balance at Reserves. No dividend is proposed.

Fixed Assets:

Information relating to the Tangible Fixed Assets is given in Note 4 appended to the Financial Accounts.

DALCROSS SAWMILLS LIMITED

DIRECTOR'S REPORT

For the Year Ended 31st March 1995 (Continued)

Director:

According to the Register maintained as required under the Companies Act 1985, the Director's Interests in the Ordinary Share Capital of the Company are as follows:

	<u>Ordinary Shares of £1 each</u> <u>fully paid</u>	
	<u>31st March</u> <u>1995</u>	<u>31st March</u> <u>1994</u>
Charles D Thomson	10,000	10,000

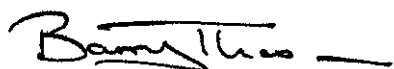
Political and Charitable Donations:

The Company made no political or charitable donations during the year under review.

Auditor:

Mr M G McNeill, Certified Accountant has been appointed as Auditor at the Annual General Meeting.

BY ORDER OF THE BOARD



Barry D A Thomson
Secretary
Inverness

28th June 1995

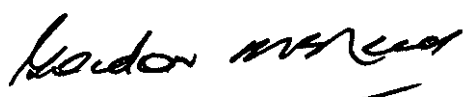
DALCROSS SAWMILLS LIMITED

REPORT OF THE AUDITOR TO THE MEMBERS OF THE COMPANY

I have audited the Financial Accounts of Dalcross Sawmills Limited as set out on Pages 6 to 13. These have been prepared under the historic cost convention. The Audit has been carried out in accordance with approved auditing standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the Company's system of control is dependent on the close involvement of the Director who is the Shareholder of the Company. Where independent confirmation of the completeness of the records was not available, I have accepted assurances from the Director of the Company as to the completeness of the records.

Subject to the foregoing paragraphs, in my opinion the Profit and Loss Account gives a true and fair view of the Company's trading and complies with the Companies Acts 1985 to 1989.



M G McNeill
Certified Accountant
3 Beaufort Road
Inverness
IV2 3NP

28th June 1995

DALCROSS SAWMILLS LIMITED

ACCOUNTING POLICIES

The Financial Accounts have been prepared under the historic convention in accordance with s228 of , and Schedule 4, to the Companies Act 1985.

The effects of events relating to the year ended 31st March 1995 which occurred before 28th June 1995, the date of the approval of the Financial Accounts by the Director of the Company, have been included in the Financial Accounts to the extent required to show a true and fair view of the state of the affairs of the Company as at 31st March 1995, and the results for the year ended on that date.

Depreciation:

Depreciation has been provided by the Company to write off the cost of Fixed Tangible Assets by instalments over their estimated useful lives as follows:

Property Improvements	20% of Cost
Motor Vehicles	25% of written down value
Plant and Machinery	25% of written down value
Furniture and Fittings	10% of cost

Stocks:

All stocks are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods for resale, the latest purchase price has been used.

Taxation:

Corporation Tax of £1,347 has been provided on the adjusted Profits for the year (Last Year - nil).

DALCROSS SAWMILLS LIMITED

PROFIT AND LOSS ACCOUNT for the Year Ended 31st March 1995

		<u>Year Ended</u> <u>31 March</u> <u>1995</u> £	<u>Year Ended</u> <u>31 March</u> <u>1994</u> £
	<u>NOTE</u>		
Turnover	1	246,649	192,004
LESS: Cost of Sales		99,974	84,765
-----		-----	-----
GROSS PROFIT		146,675	107,239
Distribution Costs and Administration Expenses		120,374	100,552
-----		-----	-----
TRADING PROFIT	2/3	26,301	6,687
Interest Receivable less Interest Paid	5	4,435	4,896
-----		-----	-----
Profit on Ordinary Activities BEFORE Tax		21,866	1,791
LESS: Taxation	6	1,347	nil
-----		-----	-----
Profit on Ordinary Activities BEFORE Tax		20,519	1,791
ADD: Balance brought forward		-6,662	- 8,453
-----		-----	-----
Balance	10	<u>13,857</u>	<u>- 6,662</u>

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The Notes on Pages (9) to (13) form part of these Financial Statements

DALCROSS SAWMILLS LIMITED

BALANCE SHEET AS AT 31st March 1995

		<u>31st March</u>	<u>31st March</u>
		<u>1995</u>	<u>1994</u>
	<u>NOTE</u>	<u>£</u>	<u>£</u>
FIXED ASSETS:	4	43,674	41,125
		-----	-----
CURRENT ASSETS:			
Stocks		32,175	30,160
Debtors	7	64,160	56,577
		-----	-----
		96,335	86,737
		-----	-----
CURRENT LIABILITIES:			
Amounts falling due within			
1 year	8	79,381	73,565
		-----	-----
<u>NET CURRENT ASSETS:</u>		16,954	13,172
		-----	-----
<u>TOTAL ASSETS LESS</u>			
<u>CURRENT LIABILITIES:</u>		60,628	54,597
LONG TERM LOANS:	9	26,771	41,259
		-----	-----
		33,857	13,338
		=====	=====
<u>CAPITAL and RESERVES:</u>			
Issued Share Capital	10	10,000	10,000
HIE Grant Received		10,000	10,000
Profit and Loss Account	11	13,857	- 6,662
		-----	-----
		33,857	13,338
		=====	=====

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The Notes on Pages (9) to (13) form part of these Financial Statements.

.....  (Director)

DALCROSS SAWMILLS LIMITED

NOTES ON THE ACCOUNTS for the Year Ended 31st March 1995

1 Analysis of Turnover before Taxation:

The Profit relates to the Company's sole activity within the UK.

2 Trading Profit:

	<u>Year to</u> <u>31st March</u> <u>1995</u> <u>£</u>	<u>Year to</u> <u>31st March</u> <u>1994</u> <u>£</u>
Trading Profit is after charging:		
Director's Emoluments	8,431	10,300
Director's Pension	1,618	1,469
Depreciation on Tangible Fixed Assets	7,894	5,618
Auditor's Remuneration	1,500	1,000
Vehicle/Equipment Lease	943	6,206
	-----	-----

3 Staff Costs:

The average number of employees engaged in the sole activity of the Company during the year was 7 (Last Year 5).

Employee Costs:

Wages and Salaries	42,128	25,785
Social Security Costs	3,011	1,843
	-----	-----
	45,139	27,628
	=====	=====

DALCROSS SAWMILLS LIMITED

NOTES ON THE ACCOUNTS

for the Year ended 31st March 1995 (Continued)

4 Fixed Assets:

	<u>Property Improve</u> £	<u>Furniture & Fits</u> £	<u>Plant & Machinery</u> £	<u>Motor Vehicles</u> £	<u>TOTAL</u> £
<u>COST:</u>					
Brought Forward	3,524	376	53,834	4,330	62,064
ADD: Purchased			1,443	8,700	10,143
-----	-----	-----	-----	-----	-----
	3,524	376	55,277	13,030	72,207
	=====	=====	=====	=====	=====

DEPRECIATION:

Brought Forward	2,364	130	15,745	2,400	20,639
Charge for the Year	705	38	3,953	3,198	7,894
-----	-----	-----	-----	-----	-----
	3,069	168	19,698	5,598	28,533
	=====	=====	=====	=====	=====

Net Book Vale as at 31st March 1995

£ 455	£208	£35,579	£7,432	£43,674
=====	=====	=====	=====	=====

Net Book Value as at 31st March 1994

£1,160	£246	£38,089	£1,930	£41,125
=====	=====	=====	=====	=====

5 Interest Payable:

Interest on Bank Loans,
Overdrafts and other loans
repayable within 5 years

4,435

4,896

=====

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DALCROSS SAWMILLS LIMITED

NOTES ON THE ACCOUNTS

for the Year ended 31st March 1995 (Continued)

<u>Year to</u>	<u>Year to</u>	<u>31st March</u>
	<u>31st March</u>	<u>31st March</u>
	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
6 <u>Corporation Tax:</u>		
UK Corporation Tax at 25%		
on the adjusted profits for the year	1,347	nil
	<u>=====</u>	<u>=====</u>
7 <u>Debtors:</u>		
Trade Debtors	64,160	56,577
	<u>=====</u>	<u>=====</u>
8 <u>Creditors:</u>		
<u>(Due within 12 months of Balance Sheet Date):</u>		
Trade Creditors	25,686	18,680
Other Creditors	9,757	4,768
Bank Overdraft	6,495	13,612
Other Tax and Social Security	22,196	25,505
Director's Loan	11,000	11,000
HP Creditor	2,900	
Corporation Tax	1,347	
	<u>-----</u>	<u>-----</u>
	79,381	73,565
	<u>=====</u>	<u>=====</u>

DALCROSS SAWMILLS LIMITED

NOTES ON THE ACCOUNTS

for the Year ended 31st March 1995 (Continued)

<u>Year to</u>	<u>Year to</u>	<u>31st March</u>
	<u>31st March</u>	<u>31st March</u>
	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
9 Creditors:		
<u>(Due more than 12 months of Balance Sheet Date):</u>		
Hire Purchase Creditor	3,867	9,787
HIE Loan	7,904	12,472
Bank Loan	15,000	19,000
	-----	-----
	26,771	41,259
	=====	=====
10 Share Capital:		
<u>AUTHORISED:</u>		
Ordinary Shares of £1 each	100,000	100,000
	=====	=====
<u>ISSUED:</u>		
Ordinary Shares of £1 each	10,000	10,000
	=====	=====
11 Company Reserves:		
Profit and Loss Account	13,857	- 6,662
	=====	=====

DALCROSS SAWMILLS LIMITED

NOTES ON THE ACCOUNTS

for the Year ended 31st March 1995 (Continued)

12. Mr Thomson the Director operates an associated business as a sole trader and the two businesses are substantially connected.