

COMPANY REGISTRATION NUMBER 03781145

FWT (UK) LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2003

HURST MORRISON THOMSON LLP

Chartered Accountants & Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR



FWT (UK) LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

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FWT (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

E A Sykes
M Cousins

Company secretary

A Sykes

Registered office

Unit 8A Sefton Lane Industrial Estate
Sefton Lane
Maghull
Liverpool
Mersyside
L31 8BX

Auditors

Hurst Morrison Thomson LLP
Chartered Accountants
& Registered Auditors
5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

Bankers

HSBC plc
25 High Street
Windsor
Berkshire
SL4 1LN

FWT (UK) LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 October 2002 to 30 November 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the sale of garden furniture and related products.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 November 2003	At 1 October 2002
E A Sykes	1	1
M Cousins	<u>1</u>	<u>1</u>

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are 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

A resolution to re-appoint Hurst Morrison Thomson LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

FWT (UK) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Unit 8A Sefton Lane Industrial Estate
Sefton Lane
Maghull
Liverpool
Merseyside
L31 8BX

Signed on behalf of the directors

Director

Approved by the directors on 

23/11/04

FWT (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FWT (UK) LIMITED

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003



HURST MORRISON THOMSON

5 Fairmile Henley-on-Thames
Oxfordshire RG9 2JR

telephone: 01491 579866

facsimile: 01491 573397

email: hmt@hmtgroup.co.uk

www.hmtgroup.com

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 of 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.

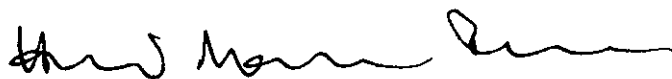
FWT (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FWT (UK) LIMITED *(continued)*

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2003 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



HURST MORRISON THOMSON LLP
Chartered Accountants
& Registered Auditors

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

24th November 2004

FWT (UK) LIMITED**PROFIT AND LOSS ACCOUNT****PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003**

	Period from 1 Oct 02 to 30 Nov 03 £	Period from 1 Jun 01 to 30 Sep 02 £
	Note	
TURNOVER	13,174,473	1,881,006
Cost of sales	11,446,578	1,538,577
GROSS PROFIT	1,727,895	342,429
Distribution costs	65,759	7,015
Administrative expenses	609,752	160,457
OPERATING PROFIT	2 1,052,384	174,957
Interest receivable	4,454	–
Interest payable	(13,755)	(2,285)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,043,083	172,672
Tax on profit on ordinary activities	3 304,529	38,459
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	738,554	134,213
Equity dividends paid	300,000	–
RETAINED PROFIT FOR THE FINANCIAL PERIOD	<u>£438,554</u>	<u>£134,213</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 13 form part of these financial statements.

FWT (UK) LIMITED

BALANCE SHEET

30 NOVEMBER 2003

	Note	30 Nov 03 £	30 Sep 02 £
FIXED ASSETS			
Tangible assets	4	<u>61,910</u>	<u>58,631</u>
CURRENT ASSETS			
Stocks		241,925	8,452
Debtors	5	1,583,891	367,411
Cash at bank and in hand		<u>21,958</u>	<u>131,178</u>
		1,847,774	507,041
CREDITORS: Amounts falling due within one year	6	<u>1,375,518</u>	<u>450,958</u>
NET CURRENT ASSETS		<u>472,256</u>	<u>56,083</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>534,166</u>	<u>114,714</u>
CREDITORS: Amounts falling due after more than one year	7	<u>—</u>	<u>8,090</u>
		<u>534,166</u>	<u>106,624</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	<u>—</u>	<u>11,012</u>
		<u>£534,166</u>	<u>£95,612</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account	11	<u>534,164</u>	<u>95,610</u>
SHAREHOLDERS' FUNDS	12	<u>£534,166</u>	<u>£95,612</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 23/11/04 and are signed on their behalf by:

.....
Director

The notes on pages 8 to 13 form part of these financial statements.

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 25% straight line

Stocks

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Period from 1 Oct 02 to 30 Nov 03 £	Period from 1 Jun 01 to 30 Sep 02 £
Depreciation of owned fixed assets	4,562	3,882
Auditors' fees	7,150	7,150
Operating lease costs:		
Land and buildings	6,898	5,268
Net profit on foreign currency translation	<u>(305,908)</u>	<u>(7,829)</u>

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

3. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

	Period from 1 Oct 02 to 30 Nov 03 £	Period from 1 Jun 01 to 30 Sep 02 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 30% (2002 - 20%)	315,155	27,017
Over/under provision in prior year	386	430
Total current tax	<u>£315,541</u>	<u>£27,447</u>
Deferred tax:		
Origination and reversal of timing differences		
Capital allowances	(11,012)	11,012
Tax on profit on ordinary activities	<u>304,529</u>	<u>38,459</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2002 - 20%).

	Period from 1 Oct 02 to 30 Nov 03 £	Period from 1 Jun 01 to 30 Sep 02 £
Profit on ordinary activities before taxation	<u>1,043,083</u>	<u>172,672</u>
Profit on ordinary activities by rate of tax	312,925	34,534
Non deductible expenses	2,502	273
Depreciation timing differences	(286)	61
Under provision in prior year	386	430
Effect of lower tax rate	-	(255)
Other tax adjustments	14	(7,596)
Total current tax (note 3(a))	<u>£315,541</u>	<u>£27,447</u>

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

4. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Total £
COST			
At 1 October 2002	55,000	12,513	67,513
Additions	—	7,841	7,841
At 30 November 2003	<u>55,000</u>	<u>20,354</u>	<u>75,354</u>
DEPRECIATION			
At 1 October 2002	—	8,882	8,882
Charge for the period	—	4,562	4,562
At 30 November 2003	<u>—</u>	<u>13,444</u>	<u>13,444</u>
NET BOOK VALUE			
At 30 November 2003	<u>55,000</u>	<u>6,910</u>	<u>61,910</u>
At 30 September 2002	<u>55,000</u>	<u>3,631</u>	<u>58,631</u>

5. DEBTORS

	30 Nov 03 £	30 Sep 02 £
Trade debtors	173,550	—
VAT recoverable	76,594	1,323
Other debtors	1,333,747	366,088
	<u>£1,583,891</u>	<u>£367,411</u>

6. CREDITORS: Amounts falling due within one year

	30 Nov 03 £	30 Sep 02 £
Bank loans and overdrafts	—	5,205
Trade creditors	566,993	377,132
Corporation tax	315,155	27,017
Other creditors	493,370	41,604
	<u>£1,375,518</u>	<u>£450,958</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	30 Nov 03 £	30 Sep 02 £
Bank loans and overdrafts	—	5,205

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

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

	30 Nov 03	30 Sep 02
	£	£
Bank loans and overdrafts	<u>—</u>	<u>8,090</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	30 Nov 03	30 Sep 02
	£	£
Bank loans and overdrafts	<u>—</u>	<u>8,090</u>

8. DEFERRED TAXATION

	Period from 1 Oct 02 to 30 Nov 03 £	Period from 1 Jun 01 to 30 Sep 02 £
The movement in the deferred taxation provision during the period was:		
Provision brought forward	11,012	—
Profit and loss account movement arising during the period	(11,012)	11,012
Provision carried forward	<u>—</u>	<u>£11,012</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	30 Nov 03 £	30 Sep 02 £
Excess of taxation allowances over depreciation on fixed assets	<u>—</u>	<u>11,012</u>
	<u>—</u>	<u>£11,012</u>

9. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year.

Included in other creditors at 30 September were:

	2003 £	2002 £
Due to M Cousins	(163,636)	(39,954)
Due to E Sykes	<u>(158,120)</u>	<u>—</u>

FWT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 OCTOBER 2002 TO 30 NOVEMBER 2003

10. SHARE CAPITAL

Authorised share capital:

	30 Nov 03	30 Sep 02
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	30 Nov 03		30 Sep 02	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11. PROFIT AND LOSS ACCOUNT

	Period from 1 Oct 02 to 30 Nov 03	Period from 1 Jun 01 to 30 Sep 02
	£	£
Balance brought forward	95,610	(38,603)
Retained profit for the financial period	<u>438,554</u>	<u>134,213</u>
Balance carried forward	<u>£534,164</u>	<u>£95,610</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 Nov 03	30 Sep 02
	£	£
Profit for the financial period	738,554	134,213
Dividends	<u>(300,000)</u>	<u>—</u>
	438,554	134,213
Opening shareholders' equity funds/(deficit)	<u>95,612</u>	<u>(38,601)</u>
Closing shareholders' equity funds	<u>534,166</u>	<u>95,612</u>