

Supersheds Limited

Accounts 30 April 1997
together with directors' and auditors' reports
Registered number: 416607



BINDER HAMLYN

DIRECTORS

R.J. Rowlinson	Chairman
K.P. Douglas	
C. Firth	
G. Walters	

SECRETARY

W. St. J. Kiernan

REGISTERED OFFICE

Victoria Sawmills
Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH

Directors' report

For the year ended 30 April 1997

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 April 1997.

Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They 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.

Principal activities and business review

The company is engaged in the manufacture of timber products.

Future developments

The directors intend to maintain the profitability of the company by expanding the company's export market.

Directors' report (continued)

Results and dividends

Results are as follows:

	£
Retained profit at 1 May 1997	1,556,199
Profit for the financial year	47,843
Retained profit at 30 April 1997	<u>1,604,042</u>

The directors do not recommend the payment of a dividend.

Directors and their interests

The directors who served during the year are as shown below.

R.J. Rowlinson
K.P. Douglas
G. Walters
C. Firth

R.J. Rowlinson and K.P. Douglas are directors of the ultimate parent undertaking, Rowlinson Timber Group Limited. Their shareholdings in Rowlinson Timber Group Limited are set out in the accounts of that company. The directors have no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Binder Hamlyn as auditors for the ensuing year.

By order of the Board,



R.J. Rowlinson
Director

Victoria Sawmills
Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH

21 October 1997

BINDER HAMLYN

Auditors' report

Andersen Worldwide

Bank House
9 Charlotte Street
Manchester M1 4EU

To the Shareholders of Supersheds Limited:

We have audited the accounts on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts and it is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

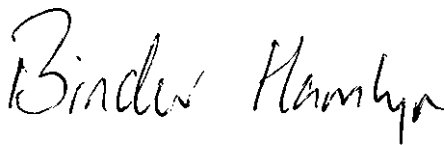
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

21 October 1997

Profit and loss account

For the year ended 30 April 1997

	Notes	1997 £	1996 £
Turnover		5,642,976	6,407,658
Cost of sales		(4,640,640)	(5,209,672)
Gross profit		1,002,336	1,197,986
Other operating expenses	2	(943,852)	(959,067)
Operating profit		58,484	238,919
Interest receivable		21,359	16,280
Profit on ordinary activities before taxation	3	79,843	255,199
Tax on profit on ordinary activities	5	(32,000)	(113,071)
Retained profit for the financial year	13	47,843	142,128

All activity has arisen from continuing operations. The company has no recognised gains or losses other than the profit for the financial year.

A statement of movements on reserves is given in note 13.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

30 April 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	6	441,121	436,199
Investments	7	21,216	21,216
		<u>462,337</u>	<u>457,415</u>
Current assets			
Stocks	8	1,192,702	874,361
Debtors	9	3,161,534	3,068,758
Cash at Bank and in Hand		353,143	-
		<u>4,707,379</u>	<u>3,943,119</u>
Creditors: Amounts falling due within one year	10	<u>(3,523,674)</u>	<u>(2,799,335)</u>
Net current assets		<u>1,183,705</u>	<u>1,143,784</u>
Total assets less current liabilities		<u>1,646,042</u>	<u>1,601,199</u>
Provisions for liabilities and charges	11	<u>(22,000)</u>	<u>(25,000)</u>
Net assets		<u>1,624,042</u>	<u>1,576,199</u>
Capital and reserves			
Called-up share capital	12	20,000	20,000
Profit and loss account	13	1,604,042	1,556,199
Equity shareholders' funds	14	<u>1,624,042</u>	<u>1,576,199</u>

Signed on behalf of the Board

R.J. Rowlinson

Director

K. Douglas

Director

21 October 1997

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

30 April 1997

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of trade discounts, VAT and other related taxes.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	-	2.5% per annum
Plant and equipment	-	10% per annum
Motor vehicles	-	25% per annum

d) Operating leases

Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

e) Investments

Fixed asset investments are stated at cost less provisions for permanent diminution in value.

f) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

g) Pension costs

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Notes to accounts (continued)

1 Accounting policies (continued)

h) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

i) Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

j) Group accounts

The company has not prepared group accounts as it is exempt from the requirement to do so by Section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Rowlinson Timber Group Limited and is included in the consolidated accounts of that company.

2 Other operating expenses

	1997 £	1996 £
Selling and marketing costs	426,624	570,541
Administrative expenses	517,228	388,526
	<u>943,852</u>	<u>959,067</u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting):

	1997 £	1996 £
Depreciation and amounts written off tangible fixed assets		
- owned	59,428	53,422
Profit on sale of fixed assets	(1,500)	(8,700)
Auditors' remuneration		
- audit fees	<u>3,089</u>	<u>2,600</u>

Notes to accounts (continued)

4 Staff costs

Particulars of employees (including executive directors) are as shown below:

	1997 £	1996 £
Employee costs during the year amounted to:		
Wages and salaries	1,054,327	1,004,177
Social security costs	91,908	86,500
Other pension costs	10,322	8,816
	<u>1,156,557</u>	<u>1,099,493</u>

The average monthly number of persons employed by the company during the year was as follows:

	1997 Number	1996 Number
Works	73	72
Selling and administration	17	16
	<u>90</u>	<u>88</u>

Directors' remuneration:

Directors' remuneration was paid in respect of directors of the company as follows:

	1997 £	1996 £
Emoluments	113,579	117,850
Company contributions to money purchase pension schemes	2,640	1,532
Total emoluments (including pension contributions)	<u>116,219</u>	<u>119,382</u>

Notes to accounts (continued)

5 Tax on profit on ordinary activities

The tax charge comprises:

	1997 £	1996 £
Corporation tax at 33% (1996 - 33%)	35,000	90,000
Deferred taxation arising from - capital allowances	(3,000)	25,000
	<u>32,000</u>	<u>115,000</u>
Adjustment of current taxation in respect of prior years	-	(1,929)
	<u>32,000</u>	<u>113,071</u>

6 Tangible fixed assets

	1997 £	1996 £
Land and buildings - freehold	233,826	242,968
Plant and equipment	130,551	153,796
Motor vehicles	76,744	39,435
Net tangible fixed assets	<u>441,121</u>	<u>436,199</u>

Notes to accounts (continued)

6 Tangible fixed assets (continued)

The movement in the year was as follows:

	Freehold £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
Beginning of year	365,746	319,268	72,461	757,475
Additions	-	5,450	58,900	64,350
Disposals	-	-	(15,611)	(15,611)
End of year	<u>365,746</u>	<u>324,718</u>	<u>115,750</u>	<u>806,214</u>
Depreciation				
Beginning of year	122,778	165,472	33,026	321,276
Charge	9,142	28,695	21,591	59,428
Disposals	-	-	(15,611)	(15,611)
End of year	<u>131,920</u>	<u>194,167</u>	<u>39,006</u>	<u>365,093</u>
Net book value				
Beginning of year	<u>242,968</u>	<u>153,796</u>	<u>39,435</u>	<u>436,199</u>
End of year	<u>233,826</u>	<u>130,551</u>	<u>76,744</u>	<u>441,121</u>

Notes to accounts (continued)

7 Fixed asset investment

	1997 £	1996 £
Cost of investment in subsidiary undertaking	<u>21,216</u>	<u>21,216</u>

The company owns the whole of the issued ordinary share capital of Rowlinson (Wirebound Containers) Limited, a dormant company.

In the opinion of the directors the aggregate value of the company's investment in the subsidiary undertaking is not less than the amount included in the balance sheet.

8 Stocks

	1997 £	1996 £
Raw materials and consumables	514,319	404,735
Work-in-progress	246,884	440,239
Finished goods and goods for resale	<u>431,499</u>	<u>29,387</u>
	<u>1,192,702</u>	<u>874,361</u>

9 Debtors

Amounts falling due within one year:

	1997 £	1996 £
Trade debtors	1,709,007	1,636,388
Amounts owed by other group undertakings	1,326,990	1,330,345
Prepayments and accrued income	<u>125,537</u>	<u>102,025</u>
	<u>3,161,534</u>	<u>3,068,758</u>

Notes to accounts (continued)

10 Creditors: Amounts falling due within one year

	1997 £	1996 £
Bank overdrafts	680,045	95,730
Trade creditors	764,646	481,921
Amounts owed to other group undertakings	1,439,190	1,456,881
Other creditors		
- UK corporation tax payable	37,524	89,738
- social security and PAYE	32,246	28,624
- VAT	202,580	252,060
- other	3,621	190
Accruals and deferred income	363,822	394,191
	<u>3,523,674</u>	<u>2,799,335</u>

The company has granted a fixed and floating charge on its assets to secure the bank overdrafts.

11 Provisions for liabilities and charges

Provisions for liabilities and charges comprise:

	1997 £	1996 £
Deferred taxation	<u>22,000</u>	<u>25,000</u>
<i>a) Deferred taxation</i>		
	1997 £	1996 £
Excess of tax allowances over book depreciation of fixed assets	<u>22,000</u>	<u>25,000</u>

Notes to accounts (continued)

11 Provisions for liabilities and charges (continued)

The movement on deferred taxation comprises:

	1997 £	1996 £
Beginning of year	25,000	-
Charged to profit and loss, in respect of - capital allowances	(3,000)	25,000
End of year	<u>22,000</u>	<u>25,000</u>

12 Called-up share capital

	1997 £	1996 £
<i>Authorised, allotted, called-up and fully paid</i> 20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

13 Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	1997 £	1996 £
Distributable - profit and loss account	<u>1,604,042</u>	<u>1,556,199</u>
		Profit and loss account £
Beginning of year		1,556,199
Retained profit for the year		<u>47,843</u>
End of year		<u>1,604,042</u>

Notes to accounts (continued)

14 Reconciliation of movements in equity shareholders' funds

	1997	1996
	£	£
Profit for the financial year	47,843	142,128
Opening equity shareholders' funds	1,576,199	1,434,071
Closing equity shareholders' funds	<u>1,624,042</u>	<u>1,576,199</u>

15 Guarantees and other financial commitments

a) *Contingent liabilities*

The company has given an unlimited guarantee in respect of certain bank overdrafts of certain fellow group undertakings. At 30 April 1997 these amounted to £10,204,869 (1996 : £7,731,042).

At 30 April 1997 the company had outstanding documentary credits of £179,230 (1996 : £71,144).

b) *Pension arrangements*

The group operates a defined contribution money purchase scheme for certain group employees. The assets of the scheme are held separately from those of the group in an independently administered scheme.

16 Cash flow statement

As permitted by Financial Reporting Standard No. 1, the company has not produced a cash flow statement as it is a subsidiary undertaking of Rowlinson Timber Group Limited which has produced a group cash flow statement in its accounts.

17 Ultimate parent company

The company is a subsidiary undertaking of Rowlinson Timber Group Limited.

The only group of which Supersheds Limited is a member and for which group accounts are drawn up is that headed by Rowlinson Timber Group Limited whose principal place of business is at Coppice Road, Willaston, Nantwich, Cheshire CW5 6QH. The consolidated accounts of the group are available to the public and may be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff CF4 3UZ.