



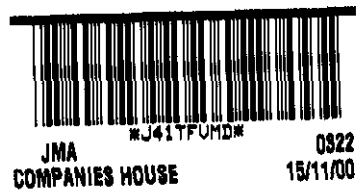
ARTHUR ANDERSEN

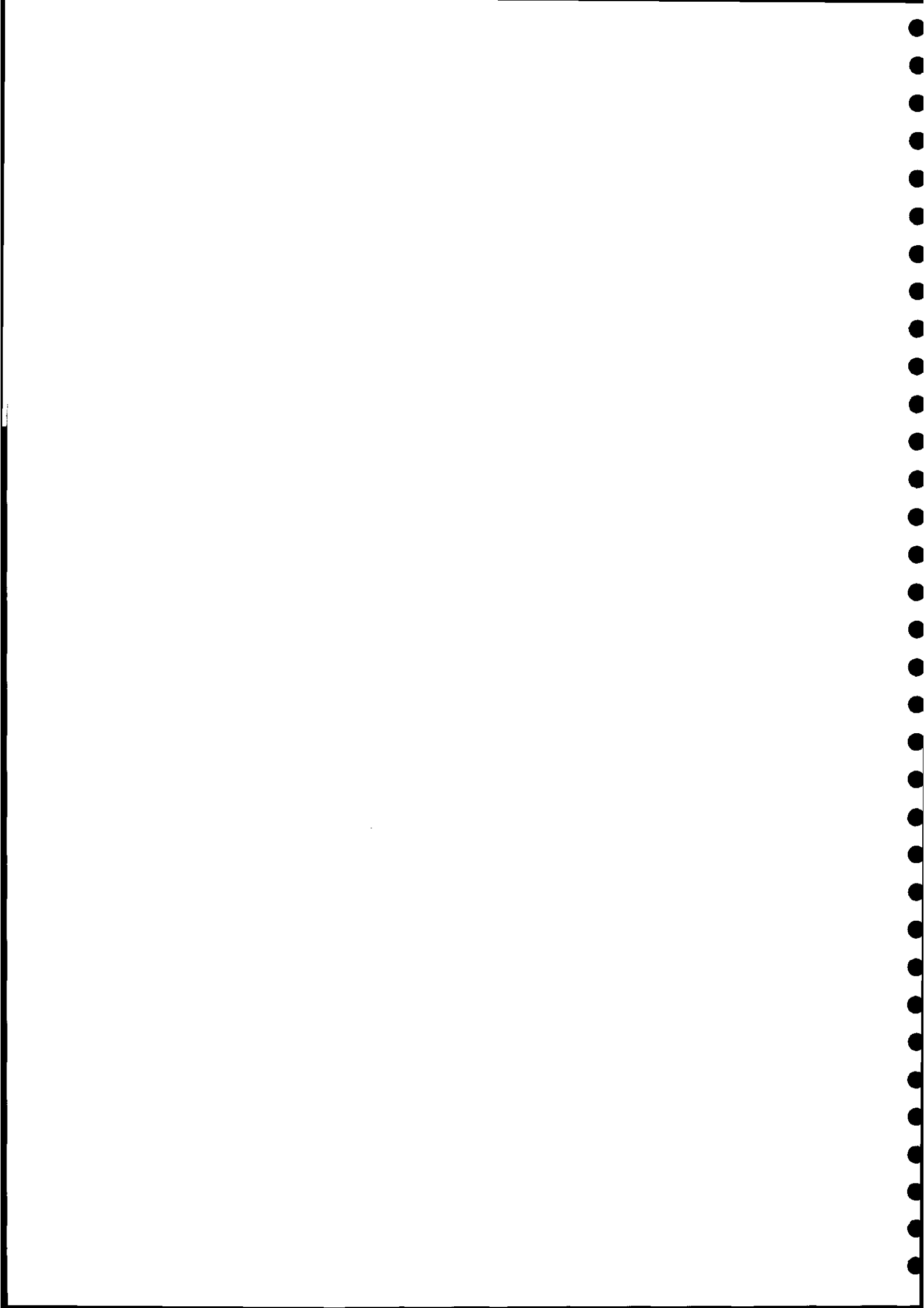
Rowlinson Garden Products Limited

Accounts 30 April 2000

together with directors' and auditors' reports

Registered number: 416607





DIRECTORS

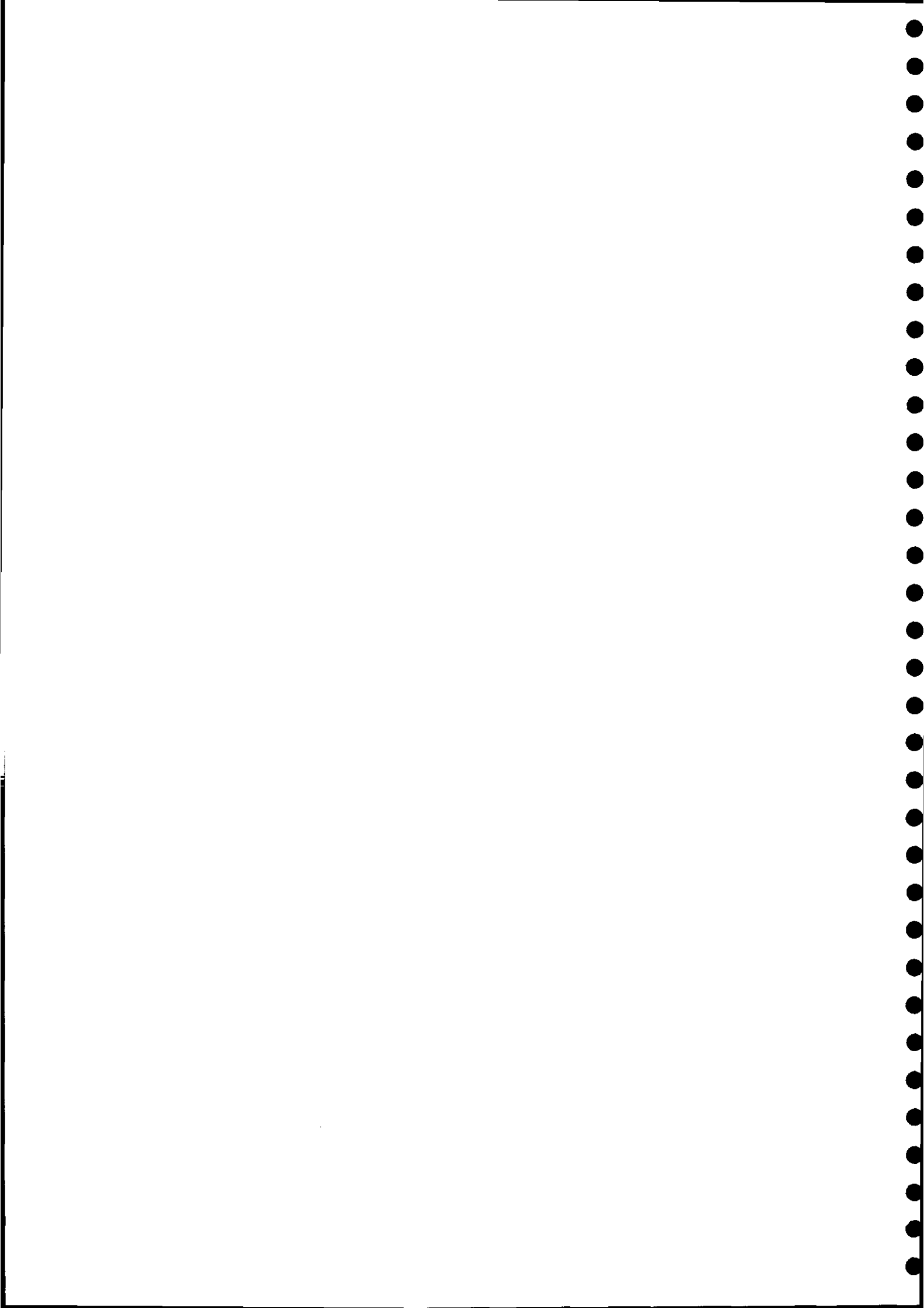
R.J. Rowlinson Chairman
K.P. Douglas
C. Firth
G. Walters
C. Evans

SECRETARY

W. St. J. Kiernan

REGISTERED OFFICE

Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH



Directors' report

For the year ended 30 April 2000

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 2000.

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 garden products.

Results and dividends

Results are as follows:

	£
Retained profit at 1 May 1999	1,451,082
Profit for the financial year	389,180
Retained profit at 30 April 2000	<u>1,840,262</u>

The directors do not recommend the payment of a dividend.

Directors' report (continued)

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

C. Evans

R.J. Rowlinson is a director of the ultimate parent undertaking, Rowlinson Timber Group Limited. His shareholding in Rowlinson Timber Group Limited is set out in the accounts of that company. The director has no other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Year 2000 compliance

The company established a dedicated project team to ensure that the risks, issues and costs associated with computer problems arising from the Year 2000 date change were properly addressed.

During the year the company has successfully implemented its Year 2000 plan with the associated costs of this work being charged to the profit and loss account as incurred.

No millennium compliance problems have been detected since the balance sheet date or are anticipated going forward.

Auditors

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

By order of the Board,

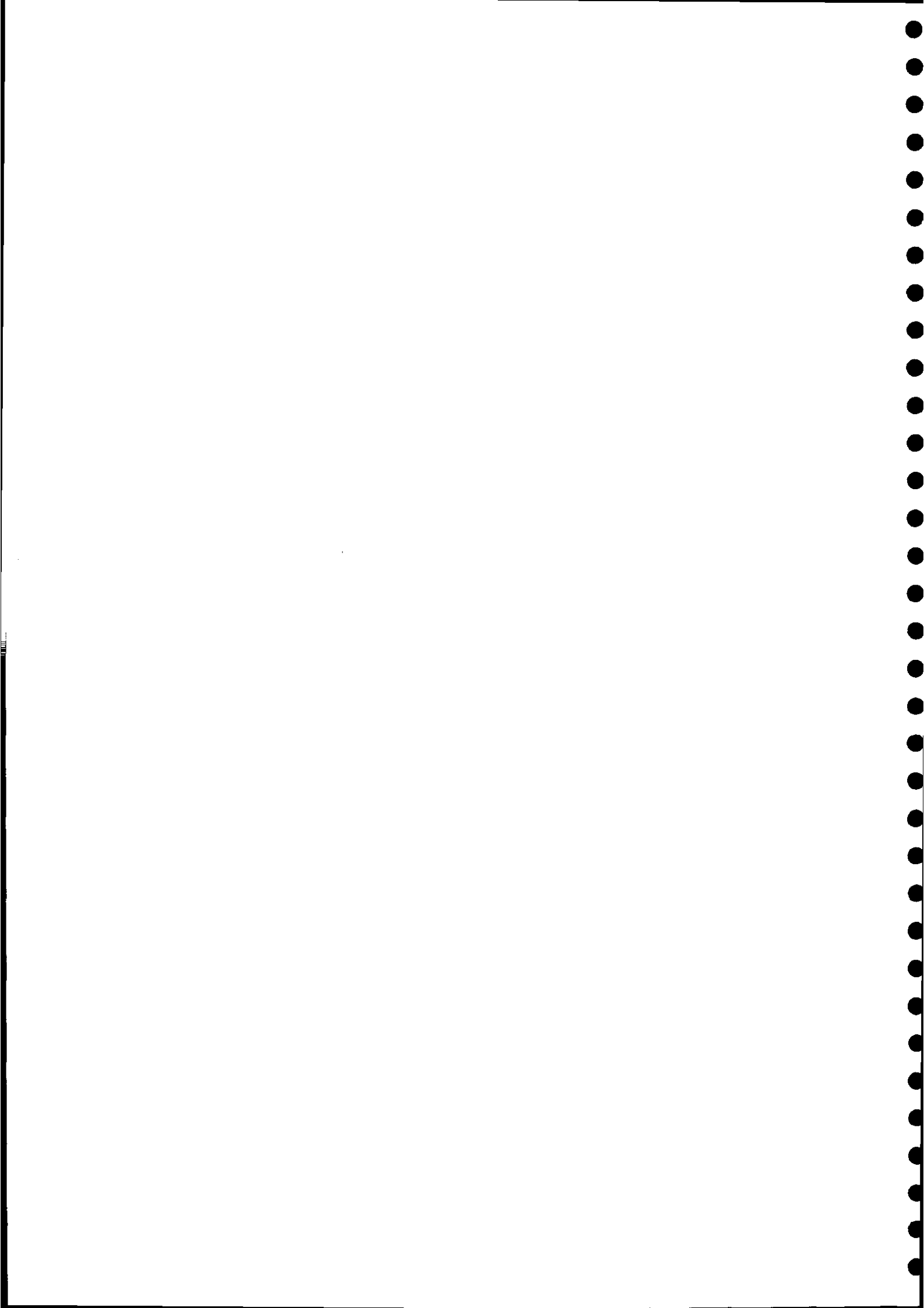


W. St. J. Kiernan

Secretary

Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH

11 September 2000



To the Shareholders of Rowlinson Garden Products Limited:

We have audited the accounts on pages 5 to 16 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 in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

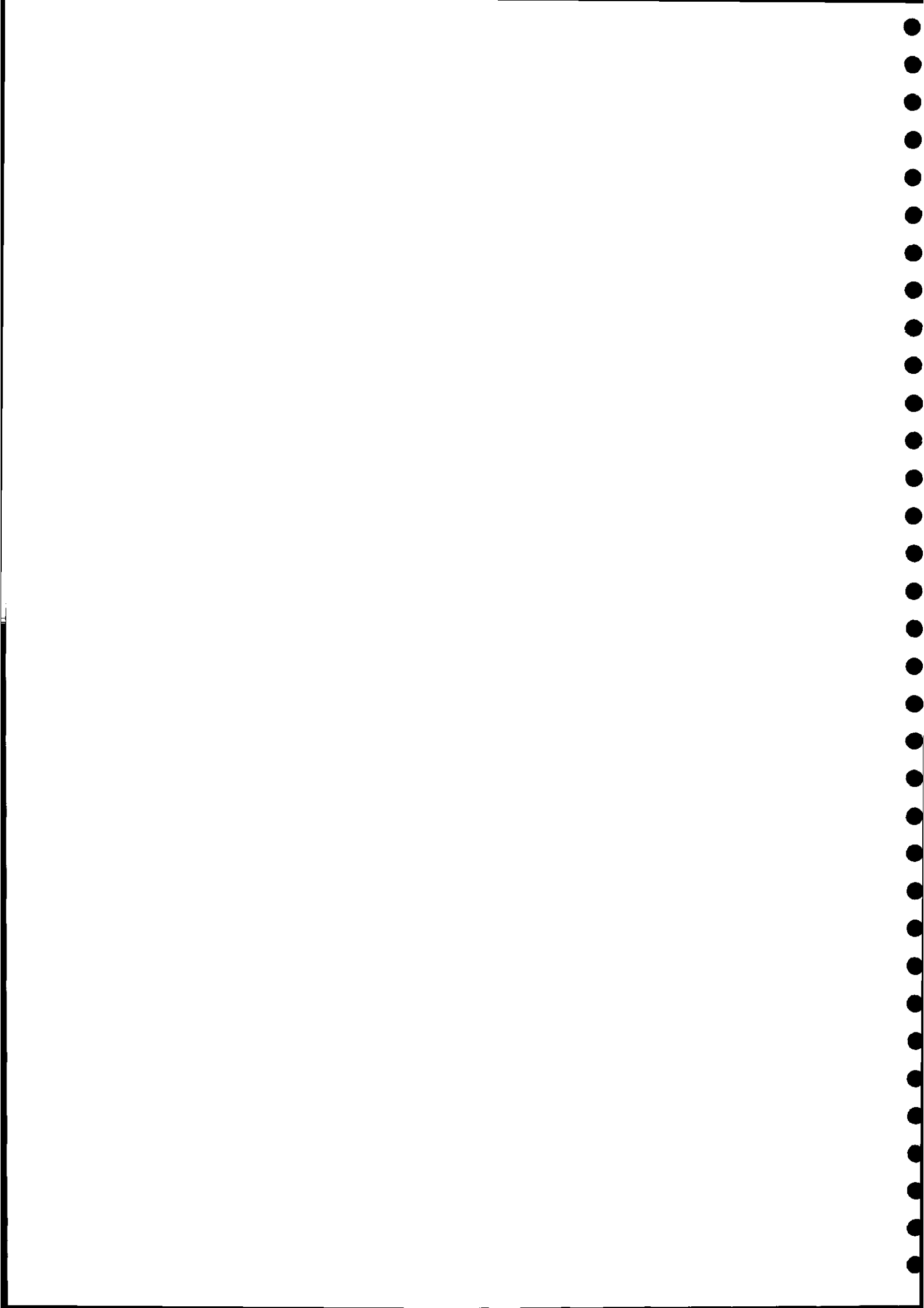
In our opinion the accounts give a true and fair view of the company's state of affairs at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

11 September 2000



Profit and loss account
For the year ended 30 April 2000

	Notes	2000 £	1999 £
Turnover		15,449,900	9,256,776
Cost of sales		(11,947,072)	(7,202,898)
Gross profit		3,552,828	2,053,878
Other operating expenses	2	(2,687,207)	(1,746,266)
Operating profit		865,621	307,612
Interest payable	3	(275,096)	(225,208)
Profit on ordinary activities before taxation	4	590,525	82,404
Tax on profit on ordinary activities	6	(201,345)	(94,397)
Retained profit (loss) for the financial year	14	389,180	(11,993)

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 of reserves is given in note 14.

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

Balance sheet

30 April 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	7	3,119,158	2,955,473
Investments	8	21,216	21,216
		<u>3,140,374</u>	<u>2,976,689</u>
Current assets			
Stocks	9	3,098,958	1,950,973
Debtors	10	6,555,022	4,013,657
Cash at Bank and in Hand		37,644	129,304
		<u>9,691,624</u>	<u>6,093,934</u>
Creditors: Amounts falling due within one year	11	<u>(10,939,236)</u>	<u>(7,580,541)</u>
Net current liabilities		<u>(1,247,612)</u>	<u>(1,486,607)</u>
Total assets less current liabilities		<u>1,892,762</u>	<u>1,490,082</u>
Provisions for liabilities and charges	12	<u>(32,500)</u>	<u>(19,000)</u>
Net assets		<u>1,860,262</u>	<u>1,471,082</u>
Capital and reserves			
Called-up share capital	13	20,000	20,000
Profit and loss account	14	1,840,262	1,451,082
Equity shareholders' funds	15	<u>1,860,262</u>	<u>1,471,082</u>

Signed on behalf of the Board

R.J. Rowlinson

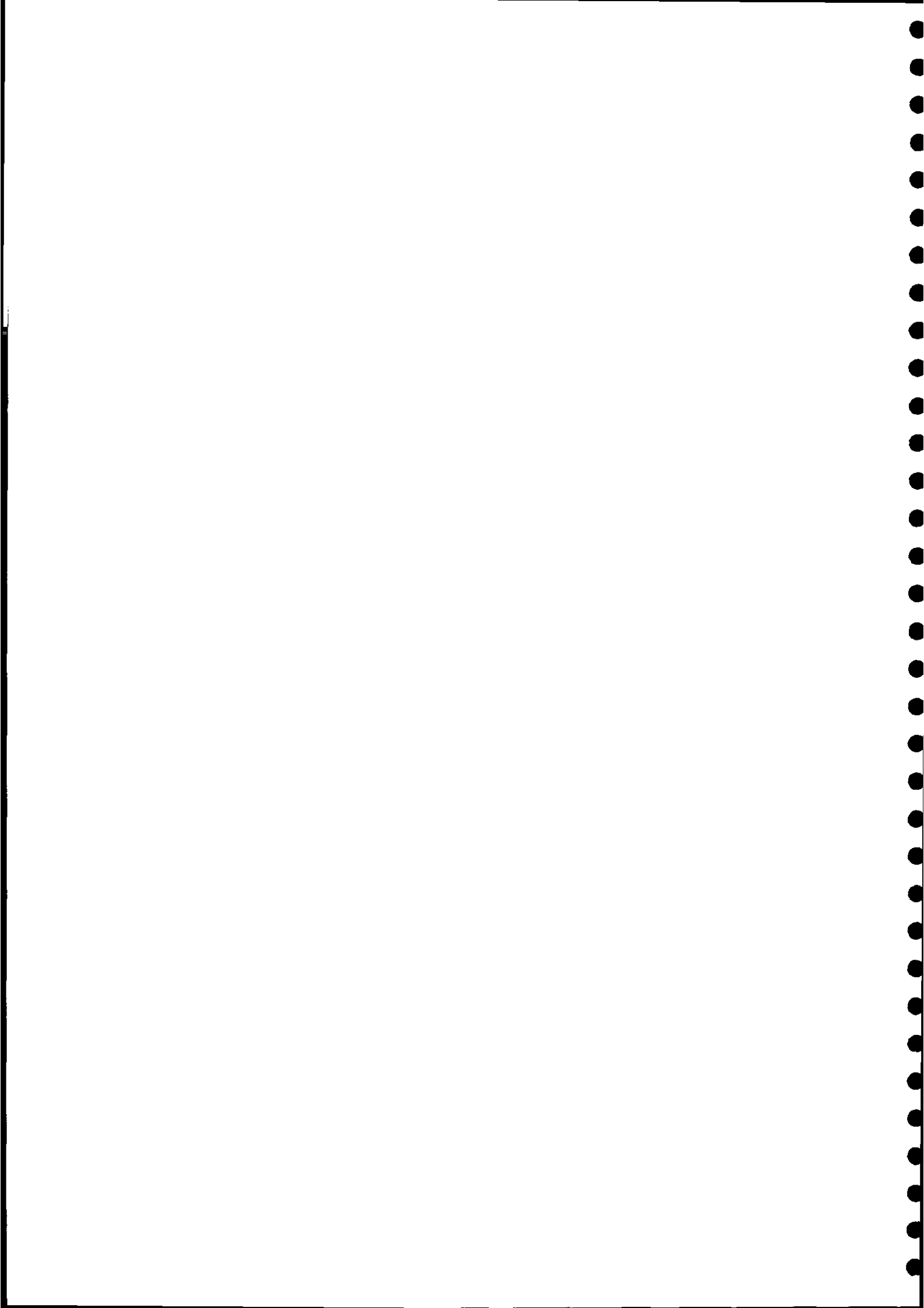
Director

K. Douglas

Director

11 September 2000

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



Notes to accounts

30 April 2000

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 shown at cost less provision for impairment.

f) *Stocks and work in progress*

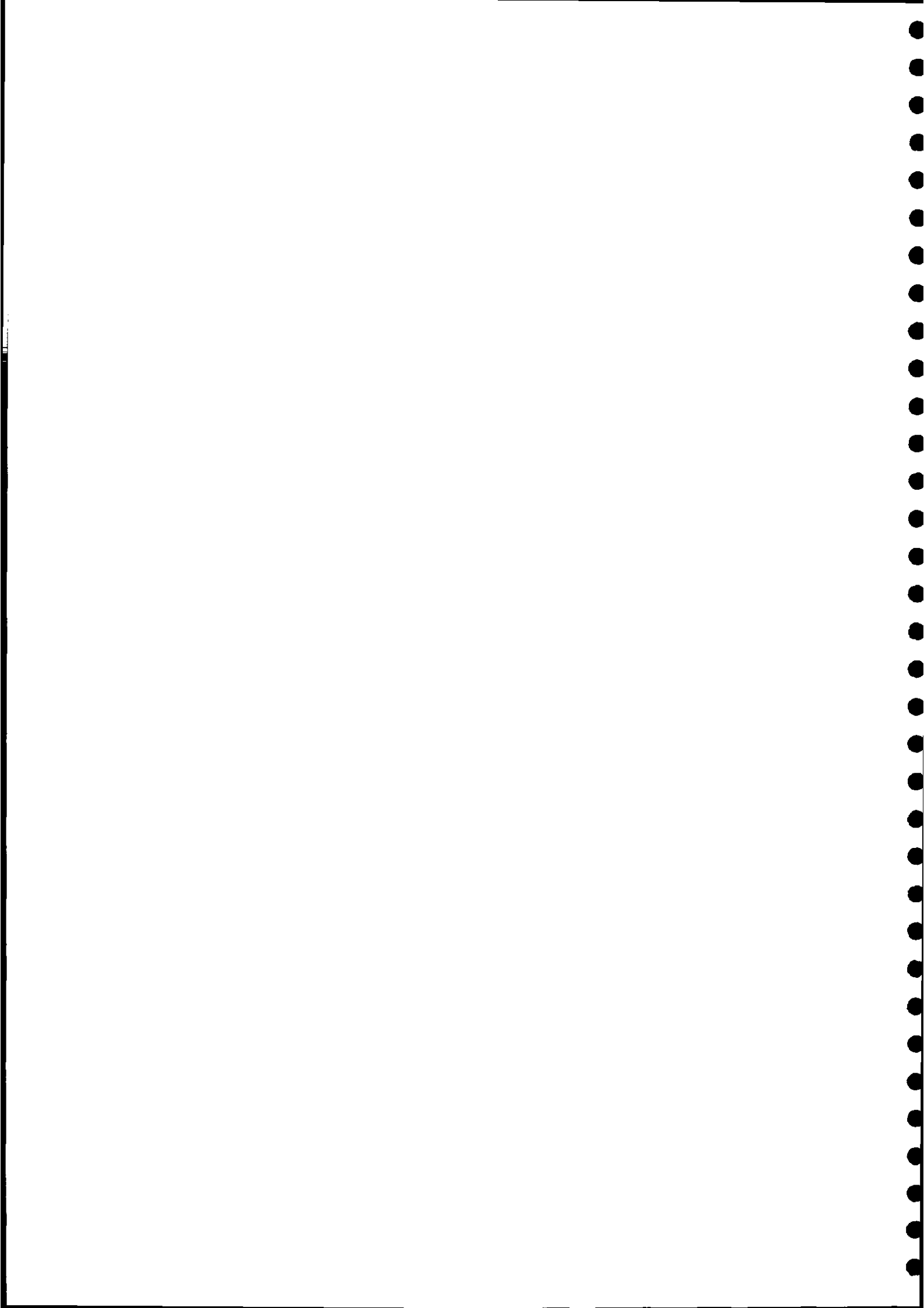
Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:

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) Taxation

UK corporation tax is provided at amounts expected to paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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.

k) Related party transactions

In preparing these accounts, advantage has been taken of the provision under FRS8 which states that disclosure is not required of transactions with entities that are part of the group.

2 Other operating expenses

	2000 £	1999 £
Selling and marketing costs	1,485,605	924,362
Administrative expenses	1,201,602	821,904
	<u>2,687,207</u>	<u>1,746,266</u>

3 Interest payable

	2000 £	1999 £
Bank loans and overdrafts	<u>275,096</u>	<u>225,208</u>

Notes to accounts (continued)

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £	1999 £
Depreciation and amounts written off tangible fixed assets		
- owned	140,390	141,172
Loss on sale of fixed assets	3,519	-
Auditors' remuneration		
- audit fees	6,000	5,360
Operating lease rentals		
- plant and machinery	23,876	18,610
- other	-	-
Staff costs (note 4)	<u>2,396,828</u>	<u>1,719,720</u>

5 Staff costs

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

	2000 £	1999 £
Employee costs during the year amounted to:		
Wages and salaries	2,215,520	1,565,968
Social security costs	167,636	138,866
Other pension costs	13,672	14,886
	<u>2,396,828</u>	<u>1,719,720</u>

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

	2000 Number	1999 Number
Works	99	99
Selling and administration	28	24
	<u>127</u>	<u>123</u>

Notes to accounts (continued)

5 Staff costs (continued)

Directors' remuneration:

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

	2000 £	1999 £
Emoluments	330,252	80,353
Company contributions to money purchase pension schemes	3,727	3,578
	<u>333,979</u>	<u>83,931</u>

Pensions:

The number of directors who were members of pension schemes was as follows:

	2000 Number	1999 Number
Money purchase schemes	<u>2</u>	<u>1</u>

Highest paid director:

The above amounts for remuneration include the following in respect of the highest paid director:

	2000 £	1999 £
Emoluments and long term incentive schemes	199,256	41,475
Company contributions to money purchase schemes	2,127	1,553
	<u>201,383</u>	<u>43,028</u>

Notes to accounts (continued)

6 Tax on profit on ordinary activities

The tax charge comprises:

	2000 £	1999 £
Corporation tax at 30% (1999 – 31%)	187,845	27,169
Group relief	-	40,000
Deferred taxation arising from - capital allowances	13,500	(15,000)
	<u>201,345</u>	<u>52,169</u>
Adjustment of current taxation in respect of prior years	-	43,228
Adjustment of deferred taxation in respect of prior years	-	(1,000)
	<u>201,345</u>	<u>94,397</u>

7 Tangible fixed assets

	2000 £	1999 £
Land and buildings		
- freehold	2,670,442	2,655,779
Plant and equipment	370,661	266,350
Motor vehicles	78,055	33,344
Net tangible fixed assets	<u>3,119,158</u>	<u>2,955,473</u>

Notes to accounts (continued)

7 Tangible fixed assets (continued)

The movement in the year was as follows:

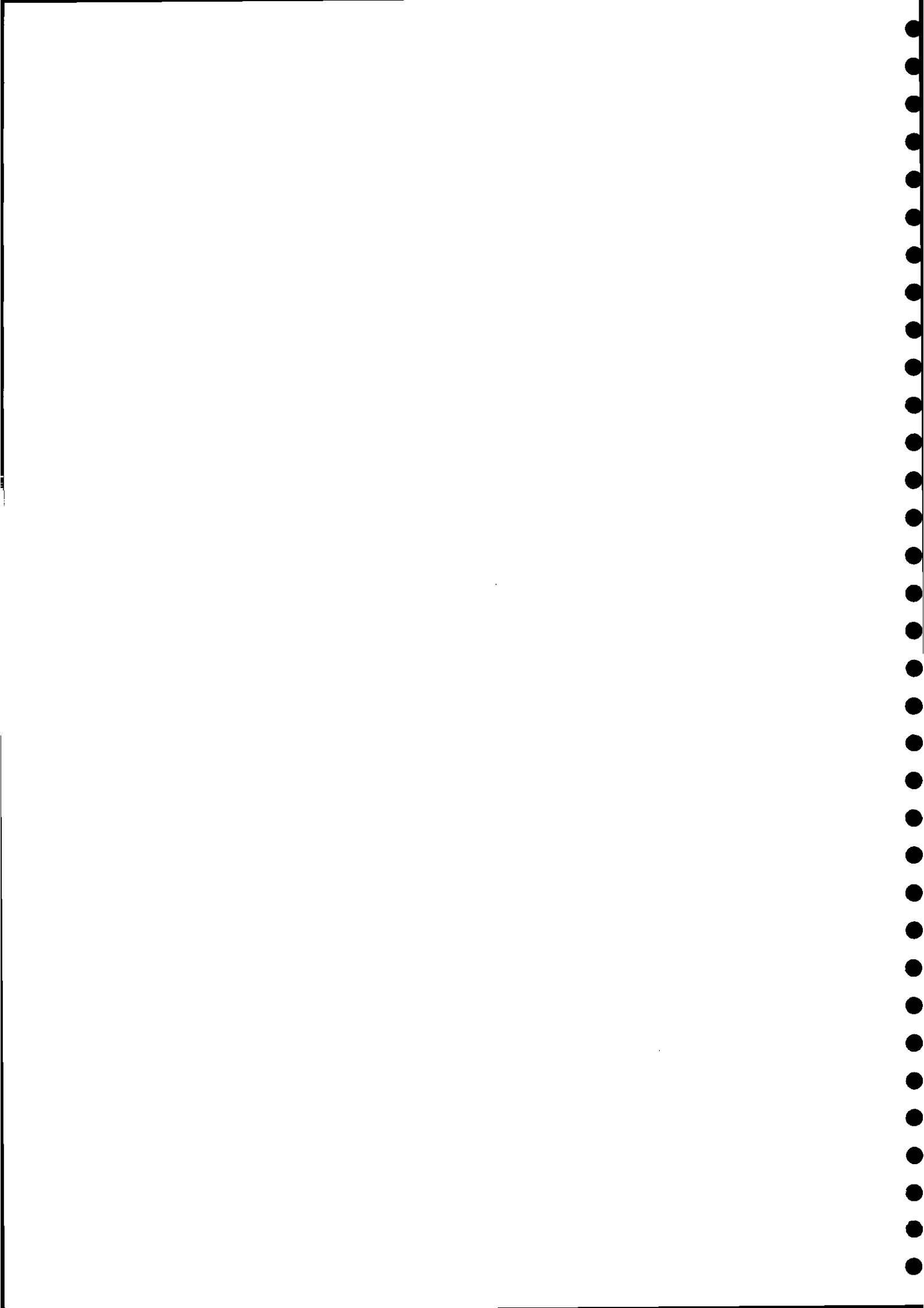
	Freehold £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
Beginning of year	2,753,059	566,020	114,836	3,433,915
Additions	84,671	151,539	79,246	315,456
Disposals	-	(6,500)	(62,897)	(69,397)
End of year	<u>2,837,730</u>	<u>711,059</u>	<u>131,185</u>	<u>3,679,974</u>
Depreciation				
Beginning of year	97,280	299,670	81,492	478,442
Charge	70,008	47,228	23,154	140,390
Disposals	-	(6,500)	(51,516)	(58,016)
End of year	<u>167,288</u>	<u>340,398</u>	<u>53,130</u>	<u>560,816</u>
Net book value				
Beginning of year	<u>2,655,779</u>	<u>266,350</u>	<u>33,344</u>	<u>2,955,473</u>
End of year	<u>2,670,442</u>	<u>370,661</u>	<u>78,055</u>	<u>3,119,158</u>

8 Fixed asset investment

	2000 £	1999 £
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.



Notes to accounts (continued)

9 Stocks

	2000 £	1999 £
Raw materials and consumables	566,068	488,182
Work-in-progress	337,991	299,030
Finished goods and goods for resale	2,194,899	1,163,761
	<u>3,098,958</u>	<u>1,950,973</u>

10 Debtors

Amounts falling due within one year:

	2000 £	1999 £
Trade debtors	6,382,205	3,851,952
Amounts owed by other group undertakings	11,533	33,117
Prepayments and accrued income	153,869	123,109
Other debtors	7,415	5,479
	<u>6,555,022</u>	<u>4,013,657</u>

11 Creditors: Amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	5,037,116	3,991,497
Trade creditors	1,654,136	1,381,243
Amounts owed to other group undertakings	529,025	643,447
Other creditors		
- UK corporation tax payable	237,240	77,718
- social security and PAYE	46,082	48,056
- VAT	482,838	315,463
- other	1,104,477	136,112
Accruals and deferred income	1,848,322	987,005
	<u>10,939,236</u>	<u>7,580,541</u>

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

Other creditors in 2000 consist of Bank of Ireland promissory notes, used to finance the purchase of stock, prior to year end.

Notes to accounts (continued)

12 Provisions for liabilities and charges

Provisions for liabilities and charges comprise:

a) *Deferred taxation*

	2000 £	1999 £
Excess of tax allowances over book depreciation of fixed assets	<u>32,500</u>	<u>19,000</u>

The movement on deferred taxation comprises:

	2000 £	1999 £
Beginning of year	19,000	35,000
Charged (credited) to profit and loss, in respect of		
- capital allowances	13,500	(15,000)
Credited to profit and loss, in respect of:		
- prior year adjustment	-	(1,000)
End of year	<u>32,500</u>	<u>19,000</u>

13 Called-up share capital

	2000 £	1999 £
<i>Authorised, allotted, called-up and fully paid</i>		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

14 Reserves

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

	2000 £	1999 £
Distributable		
- profit and loss account	<u>1,840,262</u>	<u>1,451,082</u>

	Profit and loss account £
Beginning of year	1,451,082
Retained profit for the year	<u>389,180</u>
End of year	<u>1,840,262</u>

Notes to accounts (continued)

15 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Profit (loss) for the financial year	389,180	(11,993)
Opening equity shareholders' funds	1,471,082	1,483,075
Closing equity shareholders' funds	1,860,262	1,471,082

16 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 2000 these amounted to £8,933,800 (1999 - £6,895,908).

At 30 April 2000 the company had outstanding documentary credits of £279,209 (1999 - £75,939).

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.

c) *Financial commitments*

Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date				
- within one year	-	-	-	-
- between two and five years	-	37,488	-	-
- after five years	-	-	-	-
	-	37,488	-	-

d) *Guarantees*

	2000 £	1999 £
HM Customs and Excise guarantees with recourse	70,000	-
Outstanding forward exchange contracts	847,940	313,261

Notes to accounts (continued)

17 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.

18 Ultimate parent company

The company is a subsidiary undertaking of Rowlinson Timber Limited.

The only group of which Rowlinson Garden Products 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.