

**ROWLINSON GARDEN PRODUCTS
LIMITED**

**Report and Financial Statements
30 April 2003**



ROWLINSON GARDEN PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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ROWLINSON GARDEN PRODUCTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

W St. J Kiernan

REGISTERED OFFICE

Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Liverpool

ROWLINSON GARDEN PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is engaged in the manufacture and merchanting of timber garden products. The directors are disappointed with the results for the year but believe the future prospects of the company to be satisfactory.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £448,472 (2002: £388,899 profit).

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year were as follows:

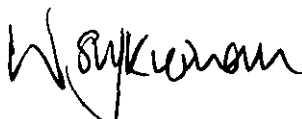
R J Rowlinson
K P Douglas
G Walters
C Firth
C Evans

The directors' interests in shares in the ultimate parent company are set out in the financial statements of that company. None of the other directors have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, 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;
- 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROWLINSON GARDEN PRODUCTS LIMITED

We have audited the financial statements of Rowlinson Garden Products Limited for the year ended 30 April 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

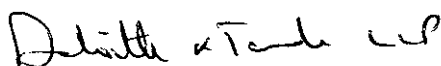
Basis of audit opinion

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.

Opinion

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



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool

25 November 2003

ROWLINSON GARDEN PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2003

	Note	2003 £	2002 £
TURNOVER		24,196,029	18,377,236
Cost of sales		(20,793,653)	(14,795,143)
GROSS PROFIT		3,402,376	3,582,093
Other operating expenses	2	(3,556,723)	(2,725,670)
OPERATING PROFIT	3	(154,347)	856,423
Interest payable	4	(279,382)	(281,644)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(433,729)	574,779
Tax on (loss)/profit on ordinary activities	7	(14,743)	(185,880)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	(448,472)	388,899

All amounts have arisen from continuing operations.

The company has no recognised gains or losses and accordingly a Statement of Total Recognised Gains and Losses has not been prepared.

ROWLINSON GARDEN PRODUCTS LIMITED

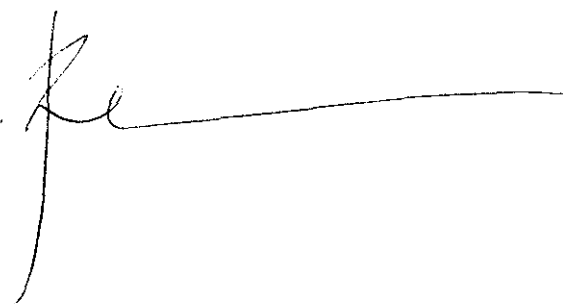
BALANCE SHEET Year ended 30 April 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	3,996,933	3,551,713
Investments	9	<u>21,216</u>	<u>21,216</u>
		4,018,149	3,572,929
CURRENT ASSETS			
Stocks	10	7,468,228	5,386,111
Debtors	11	<u>10,111,802</u>	<u>8,855,245</u>
		17,580,030	14,241,356
CREDITORS: amounts falling due within one year	12	<u>(14,814,791)</u>	<u>(15,101,872)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,765,239</u>	<u>(860,516)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,783,388	2,712,413
CREDITORS: amounts falling due after more than one year	13	(4,500,000)	-
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>(83,262)</u>	<u>(63,815)</u>
NET ASSETS		<u>2,200,126</u>	<u>2,648,598</u>
CAPITAL AND RESERVES			
Called up share capital	15	20,000	20,000
Profit and loss account	16	<u>2,180,126</u>	<u>2,628,598</u>
EQUITY SHAREHOLDERS' FUNDS	17	<u>2,200,126</u>	<u>2,648,598</u>

These financial statements were approved by the Board of Directors on 21 November 2003

Signed on behalf of the Board of Directors

Director



NOTES TO THE ACCOUNTS

Year ended 30 April 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Basis of accounting

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

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Rowlinson Group Limited which prepares consolidated financial statements which are publicly available, therefore the information presented is that for the company and not the group. The company is also, on this basis, exempt from the requirement of FRS1 to present a cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. 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

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Taxation

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

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

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

The turnover, all of which arises in the United Kingdom, is attributable to the company's principal activity.

Pension costs

Amounts charged to the profit and loss account in respect of defined contribution schemes are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

1. ACCOUNTING POLICIES (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

2. OTHER OPERATING EXPENSES

	2003 £	2002 £
Distribution costs	1,795,507	1,247,093
Administrative expenses	1,761,216	1,478,577
	<u>3,556,723</u>	<u>2,725,670</u>

3. OPERATING PROFIT

	2003 £	2002 £
Operating profit		
Depreciation and amounts written off tangible fixed assets		
- owned	219,800	180,672
Profit on sale of fixed assets	(4,416)	(6,989)
Auditors' remuneration		
- audit fees	8,200	8,000
Operating lease rentals		
- plant and machinery	<u>189,839</u>	<u>119,911</u>

4. INTEREST PAYABLE

	2003 £	2002 £
Bank overdrafts	<u>279,382</u>	<u>281,644</u>

5. STAFF COSTS

The average monthly number of employees (including executive directors) was:	2003 No.	2002 No.
Production	124	109
Selling and administration	37	32
	<u>161</u>	<u>141</u>

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

5. STAFF COSTS (continued)

	2003 £	2002 £
Their aggregate remuneration comprised:		
Wages and salaries	3,067,183	1,959,647
Social security costs	290,937	185,882
Other pension costs (see note 19)	24,790	21,165
	<u>3,382,910</u>	<u>2,166,694</u>

6. DIRECTORS' REMUNERATION

Remuneration

The remuneration of directors was as follows:

	2003 £	2002 £
Emoluments	209,236	266,839
Company contributions to money purchase pension schemes	11,306	9,461
	<u>220,542</u>	<u>276,300</u>

Pensions

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

	2003 No.	2002 No.
Money purchase scheme	<u>3</u>	<u>3</u>

Highest paid director

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

	2003 £	2002 £
Emoluments	92,098	130,480
Company contributions to money purchase schemes	4,930	4,409
	<u>97,028</u>	<u>134,889</u>

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2003 £	2002 £
Current tax		
UK corporation tax	-	173,390
Adjustments in respect of prior years		
- UK corporation tax	(4,704)	(10,325)
Total current tax	<u>(4,704)</u>	<u>163,065</u>
Deferred tax		
Origination and reversal of timing differences	19,447	18,358
Adjustment in respect of prior years	-	4,457
Total deferred tax (see note 14)	<u>19,447</u>	<u>22,815</u>
Total tax on (loss)/profit on ordinary activities	<u>14,743</u>	<u>185,880</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2003 £	2002 £
(Loss)/profit on ordinary activities before tax	<u>(433,729)</u>	<u>574,779</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 30% (2002 - 30%)	(130,119)	172,434
Effects of:		
Expenses not deductible for tax purposes	22,726	19,314
Capital allowances in excess of depreciation	(19,447)	(18,358)
Group relief surrendered	126,840	-
Adjustments to tax charge in respect of previous periods	(4,704)	(10,325)
Current tax charge for period	<u>(4,704)</u>	<u>163,065</u>

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2003

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & equipment £	Motor vehicles £	Total £
Cost				
1 May 2002	3,242,405	915,005	239,367	4,396,777
Additions	469,759	180,186	37,260	687,205
Disposals	-	(15,250)	(41,198)	(56,448)
	<u>3,712,164</u>	<u>1,079,941</u>	<u>235,429</u>	<u>5,027,534</u>
Depreciation				
1 May 2002	311,992	455,508	77,564	845,064
Charge for the year	86,342	78,468	54,990	219,800
Disposals	-	(9,181)	(25,082)	(34,263)
	<u>398,334</u>	<u>524,795</u>	<u>107,472</u>	<u>1,030,601</u>
Net book value				
30 April 2003	<u>3,313,830</u>	<u>555,146</u>	<u>127,957</u>	<u>3,996,933</u>
1 May 2002	<u>2,930,413</u>	<u>459,497</u>	<u>161,803</u>	<u>3,551,713</u>

9. FIXED ASSET INVESTMENT

	2003 £	2002 £
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 which is incorporated in England and Wales.

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.

10. STOCKS

	2003 £	2002 £
Raw materials and consumables	315,939	288,391
Work in progress	395,659	344,509
Finished goods and goods for resale	6,756,630	4,753,211
	<u>7,468,228</u>	<u>5,386,111</u>

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

11. DEBTORS

	2003 £	2002 £
Trade debtors	9,888,605	8,603,415
Amounts owed by group undertakings	75,666	77,776
Prepayments and accrued income	147,531	174,054
	<u>10,111,802</u>	<u>8,855,245</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank overdrafts	2,664,132	9,734,808
Trade creditors	3,382,002	2,506,509
Amounts owed to group undertakings	722,004	152,821
Other creditors		
- UK corporation tax	-	179,394
- social security and PAYE	76,923	51,855
- VAT	462,278	253,779
- other	6,109,389	1,225,007
Accruals and deferred income	1,398,063	997,699
	<u>14,814,791</u>	<u>15,101,872</u>

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

Included in other creditors are £885,670 (2002: £1,225,007) Bank of Ireland promissory notes, used to finance the purchase of stock prior to year end and £5,194,853 (2002: £nil) secured on the assets of the company.

13. CREDITORS: AMOUNTS FALLING DUE OUTSIDE ONE YEAR

	2003 £	2002 £
Amounts owed to group undertakings	<u>4,500,000</u>	<u>-</u>

Other than due outside one year there are no fixed terms for repayment.

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

14. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges comprise:

		Deferred taxation £
At 1 May 2002		63,815
Charged to profit and loss account		19,447
At 30 April 2003		<u>83,262</u>
Deferred tax is provided as follows:	2003	2002
	£	£
Accelerated capital allowances	<u>83,262</u>	<u>63,815</u>

15. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised, allotted, called up and fully paid 20,000 ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

16. RESERVES

	Profit and loss account £
1 May 2002	2,628,598
Retained loss for the year	<u>(448,472)</u>
30 April 2003	<u>2,180,126</u>

17. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2003 £	2002 £
(Loss)/profit for the financial year	(448,472)	388,899
Opening equity shareholders' funds	<u>2,648,598</u>	<u>2,259,699</u>
Closing equity shareholders' funds	<u>2,200,126</u>	<u>2,648,598</u>

ROWLINSON GARDEN PRODUCTS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

18. GUARANTEES AND FINANCIAL COMMITMENTS

There were no capital commitments at 30 April 2003 (2002: £nil).

Guarantees and financial commitments were as follows:

	2003 £	2002 £
HM Customs & Excise guarantees with recourse	800,000	530,000
Outstanding forward exchange contracts	1,401,622	2,701,627
Documentary credits	1,885,656	1,354,442

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

	2003 £	Other 2002 £
Expiry date - between two and five years	60,374	60,374

19. PENSION ARRANGEMENTS

The company operates a defined contribution scheme for which the pension cost charge for the year amounted to £24,790 (2002: £21,165).

20. CONTINGENT LIABILITY

The company has guaranteed the bank loan and overdrafts of certain fellow group undertakings. The aggregate amount outstanding under these arrangements at the balance sheet date was £12,674,983 (2002: £6,546,841).

21. ULTIMATE CONTROLLING PARTY

The directors regard Rowlinson Group Limited, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Rowlinson Group Limited is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

As a subsidiary undertaking of Rowlinson Group Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Rowlinson Group Limited.