

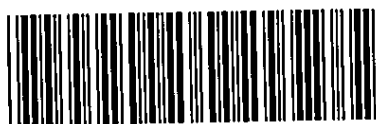
Company Registration Number 416607

Rowlinson Garden Products Limited

Financial Statements

30 April 2007

WEDNESDAY



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26/09/2007
COMPANIES HOUSE

CLB COOPERS

Chartered Accountants & Registered Auditors
Century House
11 St Peters Square
Manchester
M2 3DN

ROWLINSON GARDEN PRODUCTS LIMITED

Financial Statements

Year ended 30 April 2007

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ROWLINSON GARDEN PRODUCTS LIMITED

The Directors' Report

Year ended 30 April 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2007

Principal activities and business review

The principal activity of the company during the year was the manufacture and merchandising of timber garden products

Results and dividends

The loss for the year amounted to £64,268 The directors have not recommended a dividend

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 15 to the accounts

Directors

The directors who served the company during the year were as follows

K P Douglas
R J Rowlinson
P A Taylor
C D Firth

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 these 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,

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 that disclose with reasonable accuracy at any time the financial position of the company and 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

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

ROWLINSON GARDEN PRODUCTS LIMITED

The Directors' Report *(continued)*

Year ended 30 April 2007

Auditor

A resolution to re-appoint CLB Coopers as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office
Coppice Road
Willaston
Nantwich
Cheshire
CW5 6QH

Signed by order of the directors



W St J Kiernan
Company Secretary

Approved by the directors on 23 August 2007

ROWLINSON GARDEN PRODUCTS LIMITED

Independent Auditor's Report to the Shareholders

Year ended 30 April 2007

We have audited the financial statements of Rowlinson Garden Products Limited for the year ended 30 April 2007 on pages 5 to 15, which have been prepared on the basis of the accounting policies set out on pages 7 to 9

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 auditor's 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 auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

ROWLINSON GARDEN PRODUCTS LIMITED

Independent Auditor's Report to the Shareholders *(continued)*

Year ended 30 April 2007

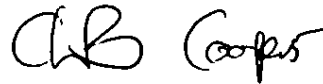
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its loss for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



CLB COOPERS
Chartered Accountants
& Registered Auditors

Century House
11 St Peters Square
Manchester
M2 3DN

23 August 2007

ROWLINSON GARDEN PRODUCTS LIMITED

Profit and Loss Account

Year ended 30 April 2007

	Note	2007 £	2006 £
Turnover	2	13,426,566	12,007,219
Cost of sales		11,242,165	9,906,809
Gross profit		2,184,401	2,100,410
Distribution costs		843,108	853,455
Administrative expenses		1,368,875	1,451,646
Other operating income		(2,712)	—
Operating loss	3	(24,870)	(204,691)
Intergroup loan waived	6	—	600,000
Interest payable and similar charges	7	39,398	71,031
(Loss)/profit on ordinary activities before taxation		(64,268)	324,278
Tax on (loss)/profit on ordinary activities	8	—	—
(Loss)/profit for the financial year		(64,268)	324,278

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 year as set out above

The notes on pages 7 to 15 form part of these financial statements.

ROWLINSON GARDEN PRODUCTS LIMITED

Balance Sheet

30 April 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	9	1,206,631	1,196,601
Investments	10	21,216	21,216
		<u>1,227,847</u>	<u>1,217,817</u>
Current assets			
Stocks	11	2,445,379	2,156,538
Debtors	12	7,034,716	3,570,345
		<u>9,480,095</u>	<u>5,726,883</u>
Creditors: Amounts falling due within one year	13	7,125,613	4,384,024
Net current assets		<u>2,354,482</u>	<u>1,342,859</u>
Total assets less current liabilities		<u>3,582,329</u>	<u>2,560,676</u>
Creditors: Amounts falling due after more than one year	14	1,997,054	911,133
		<u>1,585,275</u>	<u>1,649,543</u>
Capital and reserves			
Called-up equity share capital	19	20,000	20,000
Profit and loss account	20	1,565,275	1,629,543
Shareholders' funds	21	<u>1,585,275</u>	<u>1,649,543</u>

These financial statements were approved by the directors on the 23 August 2007 and are signed on their behalf by

R J Rowlinson

The notes on pages 7 to 15 form part of these financial statements.

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

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 wholly owned and its parent publishes a consolidated cash flow statement

Turnover

The turnover shown in the profit and loss account represents amounts attributable to the year, exclusive of Value Added Tax

Investments

Fixed asset investments are shown at cost less provision for impairment

Fixed Assets

Tangible 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

Freehold Property	-	2 5% straight line
Plant & Machinery	-	10% straight line
Motor Vehicles	-	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

Cost includes materials, direct labour and 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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of work in progress

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

1. Accounting policies *(continued)*

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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

Transactions in foreign currencies are translated at the exchange 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

1. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below.

	2007 £	2006 £
United Kingdom	<u>13,426,566</u>	<u>12,007,219</u>

3. Operating loss

Operating loss is stated after charging/(crediting)

	2007 £	2006 £
Depreciation of owned fixed assets	109,592	144,463
Loss on disposal of fixed assets	—	5,071
Profit on disposal of fixed assets	(2,712)	—
Auditor's remuneration		
- as auditor	6,900	6,600
Operating lease costs		
Plant and equipment	<u>9,811</u>	<u>75,448</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2007 No	2006 No
Number of production staff	51	58
Number of selling and administrative staff	17	14
	<u>68</u>	<u>72</u>

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	1,741,542	1,436,702
Social security costs	144,153	130,220
Staff pension costs	55,873	86,974
	<u>1,941,568</u>	<u>1,653,896</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2007 £	2006 £
Emoluments receivable	397,736	279,043
Value of company pension contributions to money purchase schemes	9,103	8,838
	<u>406,839</u>	<u>287,881</u>

Emoluments of highest paid director:

	2007 £	2006 £
Total emoluments (excluding pension contributions)	233,521	122,032
Value of company pension contributions to money purchase schemes	3,203	3,110
	<u>236,724</u>	<u>125,142</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007 No	2006 No
Money purchase schemes	<u>3</u>	<u>3</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

6. Intergroup loan waived

	2007 £	2006 £
Intergroup loan waived	<u>-</u>	<u>600,000</u>

7. Interest payable and similar charges

	2007 £	2006 £
Interest payable on bank borrowing	(1,744)	15,760
Other similar charges payable	<u>41,142</u>	<u>55,271</u>
	<u>39,398</u>	<u>71,031</u>

8. Taxation on ordinary activities

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007 £	2006 £
(Loss)/profit on ordinary activities before taxation	<u>(64,268)</u>	<u>324,278</u>
(Loss)/profit on ordinary activities by rate of tax	(19,280)	97,283
Expenses not deductible for tax purposes	21,240	(40,866)
Inter company loan waiver	-	(180,000)
Losses group relieved	34,683	107,912
Depreciation in excess of capital allowances	(36,643)	15,308
Adjustments in respect of previous periods	-	363
Total current tax	<u>-</u>	<u>-</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

9. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost				
At 1 May 2006	971,576	389,370	187,809	1,548,755
Additions	40,197	29,400	50,946	120,543
Disposals	—	—	(30,496)	(30,496)
At 30 April 2007	1,011,773	418,770	208,259	1,638,802
Depreciation				
At 1 May 2006	77,946	203,728	70,480	352,154
Charge for the year	28,027	38,510	43,161	109,698
On disposals	—	—	(29,681)	(29,681)
At 30 April 2007	105,973	242,238	83,960	432,171
Net book value				
At 30 April 2007	905,800	176,532	124,299	1,206,631
At 30 April 2006	893,630	185,642	117,329	1,196,601

10. Investments

Investment in subsidiary undertaking

	£
Cost	
At 1 May 2006 and 30 April 2007	<u>21,216</u>
Net book value	
At 30 April 2007	<u>21,216</u>
At 30 April 2006	<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

11. Stocks

	2007 £	2006 £
Raw materials	252,501	249,525
Work in progress	224,588	176,305
Finished goods	1,968,290	1,730,708
	<u>2,445,379</u>	<u>2,156,538</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

12. Debtors

	2007 £	2006 £
Trade debtors	6,784,628	3,449,867
Amounts owed by group undertakings	22,297	—
Corporation tax repayable	363	363
Prepayments and accrued income	227,428	120,115
	<u>7,034,716</u>	<u>3,570,345</u>

13. Creditors: Amounts falling due within one year

	2007 £	2006 £
Invoice discounting advances	3,330,990	1,234,167
Bank loans and overdrafts	331,856	17,892
Trade creditors	2,129,271	1,155,952
Bills of exchange payable	—	901,749
PAYE and social security	40,501	36,060
VAT	503,588	322,978
Other creditors	9,747	8,635
Accruals and deferred income	779,660	706,591
	<u>7,125,613</u>	<u>4,384,024</u>

Invoice discounting advances are secured on the assets of the company

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

14. Creditors: Amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>1,997,054</u>	<u>911,133</u>

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

15. Financial risk management objectives and policies

The company holds various financial instruments such as trade debtors and trade creditors which arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Interest rate risk

The company is exposed to fair value interest rate risk on its borrowings and cash flow interest rate risk on bank overdrafts and loans

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

15. Financial risk management objectives and policies *(continued)*

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

16. Guarantees and financial commitments

	2006 £	2005 £
HM Revenue and Customs guarantees with recourse	<u>80,000</u>	<u>80,000</u>
Outstanding forward exchange contracts	<u>221,948</u>	<u>150,131</u>

17. Contingencies

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 £1,466,550 (2006 £2,262,021).

18. Related party transactions

As a subsidiary undertaking of Rowlinson Group Limited, the company has taken advantage of the exemption under Financial Reporting Standard 8 from disclosing transactions with other members of the group.

There were no transactions or balances with other related parties.

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the Financial Statements

Year ended 30 April 2007

19. Share capital

Authorised share capital:

	2007 £	2006 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2007 No	£	2006 No	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

20. Profit and loss account

	2007 £	2006 £
Balance brought forward	1,629,543	1,305,265
(Loss)/profit for the financial year	(64,268)	324,278
Balance carried forward	<u>1,565,275</u>	<u>1,629,543</u>

21. Reconciliation of movements in shareholders' funds

	2007 £	2006 £
(Loss)/Profit for the financial year	(64,268)	324,278
Opening shareholders' funds	<u>1,649,543</u>	<u>1,325,265</u>
Closing shareholders' funds	<u>1,585,275</u>	<u>1,649,543</u>

22. Ultimate parent company and controlling party

The immediate parent company is Rowlinson Timber Limited, a company incorporated in England and Wales. The directors regard Rowlinson Group Limited, a company incorporated in England and Wales, as the ultimate parent company. Rowlinson Group Limited was under the control of R J Rowlinson, a director of that company at the current and preceding year ends.

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.