

Registered number. 00416607

Rowlinson Garden Products Limited

**Annual Report
and Financial Statements**

For the year ended 30 April 2012



CLB
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Chartered Accountants
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ROWLINSON GARDEN PRODUCTS LIMITED

Company Information

Directors	K P Douglas R J Rowlinson C D Firth
Company secretary	W St J Kiernan
Company number	00416607
Registered office	Coppice Road Willaston Nantwich Cheshire CW5 6QH
Auditor	CLB Coopers Ship Canal House 98 King Street Manchester M2 4WU

ROWLINSON GARDEN PRODUCTS LIMITED

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ROWLINSON GARDEN PRODUCTS LIMITED

Directors' report For the year ended 30 April 2012

The directors present their report and the financial statements for the year ended 30 April 2012

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

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

Business review

Despite the continuing difficult economic climate, the company recorded a gross profit and operating profit of £1,971,552 and £184,025 respectively. Shareholders' funds at 30 April 2012 were £316,274 (2011: £169,118).

Results and dividends

The profit for the year, after taxation, amounted to £147,156 (2011: £664,705).

The directors have not recommended a dividend.

Directors

The directors who served during the year were

K P Douglas
R J Rowlinson
C D Firth

ROWLINSON GARDEN PRODUCTS LIMITED

Directors' report For the year ended 30 April 2012

Financial instruments

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

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

Interest rate risk

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

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

Currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company manages these exposures by the use of foreign currency forward contracts

Provision of information to auditor

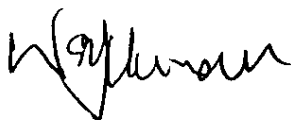
Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

The auditor, CLB Coopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf



W St J Kiernan
Company secretary

Date 13 November 2012

ROWLINSON GARDEN PRODUCTS LIMITED

Independent auditor's report to the shareholders of Rowlinson Garden Products Limited

We have audited the financial statements of Rowlinson Garden Products Limited for the year ended 30 April 2012, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

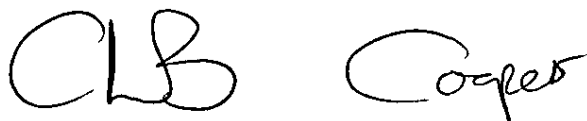
ROWLINSON GARDEN PRODUCTS LIMITED

Independent auditor's report to the shareholders of Rowlinson Garden Products Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Clift (senior statutory auditor)

for and on behalf of

CLB Coopers

Statutory Auditors and Chartered Accountants

Ship Canal House
98 King Street
Manchester
M2 4WU

13 November 2012

ROWLINSON GARDEN PRODUCTS LIMITED

Profit and loss account For the year ended 30 April 2012

	Note	2012 £	2011 £
Turnover	2	14,423,334	12,010,038
Cost of sales		(12,451,782)	(10,306,065)
Gross profit		1,971,552	1,703,973
Distribution costs		(700,743)	(467,013)
Administrative expenses		(1,086,784)	(526,063)
Operating profit	3	184,025	710,897
Interest payable and similar charges	6	(36,869)	(45,829)
Profit on ordinary activities before taxation		147,156	665,068
Tax on profit on ordinary activities	7	-	(363)
Profit for the financial year		147,156	664,705

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

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

ROWLINSON GARDEN PRODUCTS LIMITED

Registered number: 00416607

Balance sheet**As at 30 April 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	8		964,999		1,010,315
Investments	9		21,216		21,216
			986,215		1,031,531
Current assets					
Stocks	10	3,974,894		3,490,146	
Debtors	11	7,959,983		6,332,967	
Cash at bank and in hand		306,271		10,647	
		12,241,148		9,833,760	
Creditors: amounts falling due within one year	12	(8,687,776)		(6,606,580)	
Net current assets			3,553,372		3,227,180
Total assets less current liabilities			4,539,587		4,258,711
Creditors: amounts falling due after more than one year	13		(4,223,313)		(4,089,593)
Net assets			316,274		169,118
Capital and reserves					
Called up share capital	14		20,000		20,000
Profit and loss account	15		296,274		149,118
Shareholders' funds	16		316,274		169,118

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


R J Rowlinson
 Director

Date 18 November 2012

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

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standards 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2.5% straight line
Plant and machinery	-	10% straight line
Motor vehicles	-	25% straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 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.

1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

1. Accounting policies (continued)

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

1.12 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

1.13 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 profit before tax are attributable to the one principal activity of the company

All turnover arose within the United Kingdom

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

3 Operating profit

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	82,240	74,145
Auditor's remuneration	7,100	7,100
Difference on foreign exchange	10,126	5,046
(Profit)/loss on sale of tangible assets	(7,694)	(11,613)
Waiver of intergroup indebtedness	-	(500,000)
	<u> </u>	<u> </u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	1,054,538	986,684
Social security costs	82,701	76,597
Other pension costs	14,965	14,995
	<u> </u>	<u> </u>
	1,152,204	1,078,276
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No.
Number of production staff	34	29
Number of selling and administrative staff	13	12
	<u> </u>	<u> </u>
	47	41
	<u> </u>	<u> </u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

5. Directors' remuneration

	2012 £	2011 £
Emoluments	<u>244,108</u>	<u>186,259</u>
Company pension contributions to defined contribution pension schemes	<u>7,125</u>	<u>6,986</u>

During the year retirement benefits were accruing to 2 directors (2011 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £162,967 (2011 £108,854)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,925 (2011 £3,848)

6. Interest payable and similar charges

	2012 £	2011 £
Interest payable on bank borrowings	9	165
Other similar charges payable	<u>36,860</u>	<u>45,664</u>
	<u>36,869</u>	<u>45,829</u>

7. Taxation

	2012 £	2011 £
Adjustments in respect of prior periods	-	363
Tax on profit on ordinary activities	<u>-</u>	<u>363</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 lower than) the standard rate of corporation tax in the UK of 20% (2011 28%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>147,156</u>	<u>665,068</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 28%)	29,431	186,219
Effects of:		
Expenses not deductible for tax purposes	7,596	687
Accelerated capital allowances	8,419	(5,509)
Utilisation of tax losses	(45,446)	(41,397)
Adjustments to tax charge in respect of prior periods	-	363
Intercompany loans written off	-	(140,000)
Current tax charge for the year (see note above)	<u>-</u>	<u>363</u>

Factors that may affect future tax charges

At 30 April 2012, there are tax losses available to carry forward and set against future trading profits amounting to £248,307 (2011 £475,538). At the year end a deferred tax asset of £73,126 has not been recognised (2011 £86,193 liability). The asset will only start to be recognised when it is more likely than not that suitable taxable profits will be available in the future.

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

8. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 May 2011	1,092,317	453,735	111,547	1,657,599
Additions	-	10,228	29,001	39,229
Disposals	-	-	(22,138)	(22,138)
At 30 April 2012	1,092,317	463,963	118,410	1,674,690
Depreciation				
At 1 May 2011	233,720	378,021	35,543	647,284
Charge for the year	32,965	25,390	23,885	82,240
On disposals	-	-	(19,833)	(19,833)
At 30 April 2012	266,685	403,411	39,595	709,691
Net book value				
At 30 April 2012	825,632	60,552	78,815	964,999
At 30 April 2011	858,597	75,714	76,004	1,010,315

9. Fixed asset investments

	£
Cost and net book value	
At 1 May 2011 and 30 April 2012	21,216

The company owns the entire issued ordinary share capital of Rowlinson (Wirebound Containers) Limited, a dormant company which is incorporated in England and Wales and has aggregate capital and reserves of £453,340

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

	2012 £	2011 £
Raw materials	154,294	186,936
Work in progress	125,359	192,048
Finished goods	3,695,241	3,111,162
	<u>3,974,894</u>	<u>3,490,146</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

11. Debtors

	2012 £	2011 £
Trade debtors	7,672,720	6,074,927
Amounts owed by group undertakings	167,620	85,026
Other debtors	12,993	12,440
Prepayments and accrued income	106,650	160,574
	<u>7,959,983</u>	<u>6,332,967</u>

12. Creditors Amounts falling due within one year

	2012 £	2011 £
Bank overdraft	-	75,642
Invoice discounting advances	4,951,049	3,296,417
Trade creditors	2,141,723	2,047,390
Amounts owed to group undertakings	-	24,454
Social security and other taxes	911,060	740,211
Other creditors	-	94
Accruals and deferred income	683,944	422,372
	<u>8,687,776</u>	<u>6,606,580</u>

Invoice discounting advances are secured on the trade debts of the company

The company has granted fixed and floating charges on its assets to secure the bank overdraft

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

	2012 £	2011 £
Amounts owed to group undertakings	<u>4,223,313</u>	<u>4,089,593</u>

14. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

15. Reserves

	Profit and loss account £
At 1 May 2011	149,118
Profit for the year	147,156
	<u>296,274</u>
At 30 April 2012	<u>296,274</u>

16. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds/(deficit)	169,118	(495,587)
Profit for the year	147,156	664,705
	<u>316,274</u>	<u>169,118</u>
Closing shareholders' funds	<u>316,274</u>	<u>169,118</u>

17. Guarantees and financial commitments

	2012 £	2011 £
HM Revenue and Customs guarantees with recourse	<u>80,000</u>	<u>80,000</u>
Outstanding forward exchange contracts	<u>984,390</u>	<u>1,023,767</u>

Forward exchange contracts to purchase US\$ were contracted for at rates between US\$1 62/£1 and US\$1 61/£1 and expire between 7 June 2012 and 19 July 2012

18. Contingencies

The company has guaranteed bank borrowings of certain fellow group undertakings. The aggregate amount outstanding under these arrangements at the balance sheet date was £nil (2011 £34,428)

ROWLINSON GARDEN PRODUCTS LIMITED

Notes to the financial statements For the year ended 30 April 2012

19. Operating lease commitments

At 30 April 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date:		
Within 1 year	416	277
Between 2 and 5 years	31,291	37,203
After more than 5 years	3,120	-
	<u>34,727</u>	<u>37,480</u>

20. Related party transactions

As a subsidiary undertaking, the company has taken full advantage of the exemption under Financial Reporting Standards 8 'Related Party Disclosures' from disclosing transactions with other members of the group headed by Rowlinson Group Holdings Limited

At the balance sheet date, the following balances were due from/(to) group companies

	2012 £
Rowlinson Timber Limited	(26,709)
Rowlinson Packaging Limited	(3,819,251)
Rowlinson Packaging (South) Limited	(50,360)
Rowlinson Group Limited	(326,994)
Baltic Connexions Limited	167,620
	<u>(3,955,694)</u>

21. Ultimate parent undertaking and controlling party

The directors regard Rowlinson Group Holdings Limited, a company incorporated in England and Wales, as the ultimate parent company. Rowlinson Group Holdings Limited is under the control of R J Rowlinson, the sole director and shareholder of that company.

Consolidated financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ