Registered number: 00416607

Rowlinson Garden Products Limited

Annual Report and Financial Statements

For the year ended 30 April 2014

CLB coopers
Chartered Accountants
Delivering solutions through excellence

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ROWLINSON GARDEN PRODUCTS LIMITED

Company Information

Directors	K P Douglas R J Rowlinson C D Firth M J Lightfoot
Company secretary	W St J Kiernan
Registered number	00416607
Registered office	Group offices Green Lane Wardle Nantwich Cheshire CW5 6BN
Independent 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 2014

The directors present their report and the financial statements for the year ended 30 April 2014.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,106,315 (2013: loss £162,146).

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
M J Lightfoot (appointed 15 October 2013)

Disclosure 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 relevant audit information 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.

R J Rowlinson
Director

Date: 29 January 2015

Strategic report
For the year ended 30 April 2014

Principal activities and business review

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

The company's results are consolidated into Rowlinson Group Holdings Limited. A detailed strategic report is provided in the consolidated financial statements.

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.

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

R J Rowlinson
Director

Date: 29 January 2015

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 2014, set out on pages 6 to 16. 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

29 January 2015

ROWLINSON GARDEN PRODUCTS LIMITED

Profit and loss account
For the year ended 30 April 2014

	Note	2014 £	2013 £
Turnover	2	**11,960,382**	8,903,203
Cost of sales		**(10,328,184)**	(7,705,844)
Gross profit		**1,632,198**	1,197,359
Selling and distribution costs		**(520,059)**	(269,772)
Administrative expenses		**(1,278,957)**	(1,057,821)
Exceptional administrative expenses	7	**2,300,000**	-
Total administrative expenses		**1,021,043**	(1,057,821)
Operating profit/(loss)	3	**2,133,182**	(130,234)
Interest payable and similar charges	6	**(26,867)**	(31,912)
Profit/(loss) on ordinary activities before taxation		**2,106,315**	(162,146)
Tax on profit/(loss) on ordinary activities	8	**-**	-
Profit/(loss) for the financial year		**2,106,315**	(162,146)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

ROWLINSON GARDEN PRODUCTS LIMITED

Registered number: 00416607

Balance sheet
As at 30 April 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	9		**884,421**		958,525
Investments	10		**21,216**		21,216
			905,637		979,741
Current assets					
Stocks	11	**3,651,052**		3,523,665	
Debtors	12	**3,524,906**		3,119,990	
Cash at bank and in hand		**134,873**		131,496	
		7,310,831		6,775,151	
Creditors: amounts falling due within one year	13	**(4,456,025)**		(3,800,764)	
Net current assets			**2,854,806**		2,974,387
Total assets less current liabilities			**3,760,443**		3,954,128
Creditors: amounts falling due after more than one year	14		**(1,500,000)**		(3,800,000)
Net assets			**2,260,443**		154,128
Capital and reserves					
Called up share capital	15		**20,000**		20,000
Profit and loss account	16		**2,240,443**		134,128
Shareholders' funds	17		**2,260,443**		154,128

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

R J Rowlinson
Director

Date: 29 January 2015

The notes on pages 8 to 16 form part of these financial statements.

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.

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.

3. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	**81,412**	83,497
Auditor's remuneration	**8,994**	7,300
Difference on foreign exchange	**18,487**	(1,134)
Profit on sale of tangible assets	**-**	(2,500)
Intercompany loan write off	**-**	(143,735)

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	**1,154,710**	986,631
Social security costs	**89,834**	79,479
Other pension costs	**17,519**	17,099
	1,262,063	1,083,209

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

	2014 No.	2013 No.
Number of production staff	**33**	26
Number of selling and administrative staff	**19**	16
	52	42

5. Directors' remuneration

	2014 £	2013 £
Remuneration	**258,045**	189,800
Company pension contributions to defined contribution pension schemes	**9,575**	7,500

During the year retirement benefits were accruing to 3 directors (2013: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £119,336 (2013: £111,926).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,250 (2013: £3,925).

6. Interest payable and similar charges

	2014 £	2013 £
Other interest payable	**26,867**	31,912

7. Exceptional items

	2014 £	2013 £
Waiver of intercompany creditor	**2,300,000**	-

During April 2014 Rowlinson Packaging Limited waived £2,300,000 owed by Rowlinson Garden Products Limited. This amount has been credited to the current year profit and loss account.

8. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013: higher than) the standard rate of corporation tax in the UK of 20% (2013: 20%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	**2,106,315**	(162,146)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013: 20%)	**421,263**	(32,429)
Effects of:		
Expenses not deductible for tax purposes	**7,108**	6,368
Accelerated capital allowances	**(387)**	9,533
Utilisation of tax losses	**-**	16,528
Income not taxable for tax purposes	**(460,000)**	-
Group relief	**32,016**	-
Current tax charge for the year (see note above)	**-**	-

Factors that may affect future tax charges

At 30 April 2014, there are tax losses available to carry forward and set against future trading profits amounting to £248,307 (2013: £248,307). At the year end a deferred tax asset of £73,196 has not been recognised (2013: £49,661). 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.

9. Tangible fixed asset

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 May 2013	**1,092,317**	**533,986**	**107,510**	**1,733,813**
Additions	**-**	**7,170**	**-**	**7,170**
At 30 April 2014	**1,092,317**	**541,156**	**107,510**	**1,740,983**
Depreciation				
At 1 May 2013	**299,649**	**427,067**	**48,572**	**775,288**
Charge for the year	**32,965**	**21,431**	**26,878**	**81,274**
At 30 April 2014	**332,614**	**448,498**	**75,450**	**856,562**
Net book value				
At 30 April 2014	**759,703**	**92,658**	**32,060**	**884,421**
At 30 April 2013	792,668	106,919	58,938	958,525

10. Fixed asset investments

	£
Cost and net book value	
At 1 May 2013 and 30 April 2014	**21,216**
Net book value	
At 30 April 2014	**21,216**
At 30 April 2013	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 £4,000.

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

	2014 £	2013 £
Raw materials	**128,422**	150,577
Work in progress	**145,601**	109,736
Finished goods	**3,377,029**	3,263,352
	3,651,052	3,523,665

12. Debtors

	2014 £	2013 £
Due after more than one year		
Amounts owed by group undertakings	**162,074**	-
Due within one year		
Trade debtors	**3,204,340**	2,608,289
Amounts owed by group undertakings	**9,185**	221,525
Other debtors	**10,828**	23,247
Prepayments and accrued income	**138,479**	266,929
	3,524,906	3,119,990

13. Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank overdraft	-	153,788
Invoice discounting advances	**1,794,790**	1,137,896
Trade creditors	**1,649,062**	1,549,831
Amounts owed to group undertakings	**40,641**	73,523
Other taxation and social security	**499,540**	430,770
Accruals and deferred income	**471,992**	454,956
	4,456,025	3,800,764

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.

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

	2014 £	2013 £
Amounts owed to group undertakings	**1,500,000**	3,800,000

15. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	**20,000**	20,000

16. Reserves

	Profit and loss account £
At 1 May 2013	**134,128**
Profit for the financial year	**2,106,315**
At 30 April 2014	**2,240,443**

17. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	**154,128**	316,274
Profit/(loss) for the financial year	**2,106,315**	(162,146)
Closing shareholders' funds	**2,260,443**	154,128

18. Guarantees and financial commitments

	2014 £	2013 £
HM Revenue and Customs guarantees with recourse	**80,000**	80,000
Outstanding forward exchange contracts	**2,034,860**	531,908

Forward exchange contracts to purchase US$ were contracted for at rates between US$1.63/£1 and US$1.66/£1 and expire between 30 May 2014 and 30 September 2014.

19. 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 £29,746 (2013: £153,788).

20. Operating lease commitments

At 30 April 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	**3,120**	27,264
Between 2 and 5 years	**4,027**	6,847

21. 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:

	2014	2013
	£	£
Rowlinson Timber Limited	**9,185**	(37,509)
Rowlinson Packaging Limited	**(1,524,247)**	(3,819,364)
Rowlinson Group Limited	**162,074**	(16,650)
Baltic Connexions Limited	**(16,394)**	221,525

22. 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 controlling shareholder of that company.

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