

ARCTIC TIMBER LIMITED

Report and Accounts

30 April 1997



Registration number 2850708

ARCTIC TIMBER LIMITED
Directors and Officers

DIRECTORS

H A Vestlund
E J Vestlund
E G Vestlund
K A M Vestlund

SECRETARY

S T Corley

REGISTERED OFFICE

Peppercorns Business Centre
Peppercorns Lane
Eaton Socon
St Neots
Cambridgeshire

AUDITOR

G R Howell

ARCTIC TIMBER LIMITED

Directors' Report

The directors present their report and accounts for the year ended 30 April 1997.

Principal activities

The company's principal activity during the year continued to be timber importers.

Directors and directors' interests

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	1997	1996
H A Vestlund	25	25
E J Vestlund	25	25
E G Vestlund	25	25
K A M Vestlund	25	25

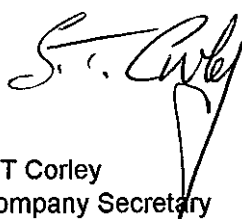
Auditors

A resolution to reappoint G R Howell as auditor will be put to the members at the Annual General Meeting.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 16 February 1998.



S T Corley
Company Secretary

ARCTIC TIMBER LIMITED

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARCTIC TIMBER LIMITED

Auditors' Report

Report of the auditors to the shareholders of ARCTIC TIMBER LIMITED

I have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

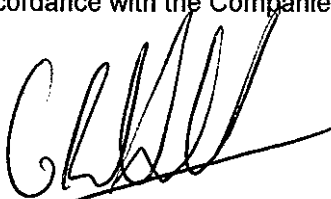
Basis of opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 30th April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



G R Howell
Chartered Certified Accountant
Registered Auditor

16 February 1998

ARCTIC TIMBER LIMITED
Profit and Loss Account
for the year ended 30 April 1997

	Notes	1997 £	1996 £
Turnover	2	286,843	370,307
Cost of sales		(258,735)	(330,684)
Gross profit		<u>28,108</u>	<u>39,623</u>
Distribution costs		(21,218)	(26,850)
Administrative expenses		(3,904)	(5,309)
Operating profit	3	<u>2,986</u>	<u>7,464</u>
Interest receivable		1,894	1,673
Profit on ordinary activities before taxation		<u>4,880</u>	<u>9,137</u>
Taxation on profit on ordinary activities		(1,099)	(2,561)
Profit on ordinary activities after taxation		<u>3,781</u>	<u>6,576</u>
Retained profit for the year	8	<u>3,781</u>	<u>6,576</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

ARCTIC TIMBER LIMITED
Balance Sheet
as at 30 April 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	4	48	73
Current assets			
Stocks		48,458	105,961
Debtors	5	60,313	58,620
Cash at bank and in hand		65,513	63,464
		<u>174,284</u>	<u>228,045</u>
Creditors: amounts falling due within one year	6	(146,434)	(204,001)
Net current assets		<u>27,850</u>	<u>24,044</u>
Total assets less current liabilities		<u>27,898</u>	<u>24,117</u>
		<u>27,898</u>	<u>24,117</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	27,798	24,017
Shareholders' funds:			
Equity		<u>27,898</u>	<u>24,117</u>
	9	<u>27,898</u>	<u>24,117</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



H A Vestlund
 Director

Approved by the board on 16 February 1998

1 Accounting policies

The accounts have been prepared under the historical cost convention.

Plant and machinery over 4 years

Stock is valued at the lower of cost and net realisable value.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

25	25
600	600

ARCTIC TIMBER LIMITED
Notes to the Accounts
at 30 April 1997

4 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 May 1996	98
At 30 April 1997	<u>98</u>
Depreciation	
At 1 May 1996	25
Charge for the year	<u>25</u>
At 30 April 1997	<u>50</u>
Net book value	
At 30 April 1997	<u>48</u>
At 30 April 1996	<u>73</u>

5 Debtors	1997 £	1996 £
Trade debtors	<u>60,313</u>	<u>58,620</u>

6 Creditors: amounts falling due within one year	1997 £	1996 £
Bank loans and overdrafts	78,410	-
Trade creditors	35,827	164,511
Other creditors	<u>32,197</u>	<u>39,490</u>
	<u>146,434</u>	<u>204,001</u>

7 Share capital	1997 £	1996 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	1997 No	1996 No
Allotted, called up and fully paid:	1997 £	1996 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

ARCTIC TIMBER LIMITED
Notes to the Accounts
at 30 April 1997

8 Profit and loss account	1997	1996
	£	£
At 1 May	24,017	17,441
Retained profit	3,781	6,576
At 30 April	27,798	24,017

9 Reconciliation of movements in shareholders' funds	1997	1996
	£	£
At 1 May	24,117	17,541
Profit for the financial year	3,781	6,576
At 30 April	27,898	24,117

10 Related parties

During the year the company entered into transactions with Balungstrands Sagverk AB, a company with which the directors are investors, and with Kingfisher Timber Products. S T Corley is a partner in Kingfisher Timber Products.

All transactions were on a commercial basis and consisted of the following:-

Balungstrands Sagverk AB	
Purchase of timber	£180,076
Kingfisher Timber Products	
Commission on timber sales	£12,278