

ARCTIC TIMBER LIMITED

Report and Accounts

30 April 1998

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 1998.

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	
	1998	1997
H A Vestlund	25	25
E J Vestlund	25	25
E G Vestlund	25	25
K A M Vestlund	25	25

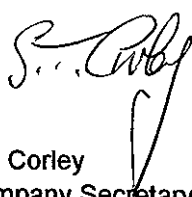
Auditors

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 31 December 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.

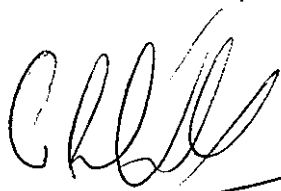
Basis of opinion

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 1998 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

31 December 1998

ARCTIC TIMBER LIMITED
Profit and Loss Account
for the year ended 30 April 1998

	Notes	1998 £	1997 £
Turnover	2	128,283	286,843
Cost of sales		(86,549)	(258,735)
Gross profit		<u>41,734</u>	<u>28,108</u>
Distribution costs		(20,097)	(21,218)
Administrative expenses		(3,169)	(3,904)
Operating profit	3	<u>18,468</u>	<u>2,986</u>
Interest receivable		1,033	1,894
Profit on ordinary activities before taxation		<u>19,501</u>	<u>4,880</u>
Taxation on profit on ordinary activities		(4,092)	(1,099)
Profit on ordinary activities after taxation		<u>15,409</u>	<u>3,781</u>
Retained profit for the year	8	<u>15,409</u>	<u>3,781</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 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	4	23	48
Current assets			
Stocks		70,121	48,458
Debtors	5	31,030	60,313
Cash at bank and in hand		25,468	65,513
		<u>126,619</u>	<u>174,284</u>
Creditors: amounts falling due within one year	6	(83,335)	(146,434)
Net current assets		<u>43,284</u>	<u>27,850</u>
Total assets less current liabilities		<u>43,307</u>	<u>27,898</u>
		<u>43,307</u>	<u>27,898</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	43,207	27,798
Shareholders' funds:			
Equity		<u>43,307</u>	<u>27,898</u>
	9	<u>43,307</u>	<u>27,898</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 31 December 1998

ARCTIC TIMBER LIMITED
Notes to the Accounts
at 30 April 1998

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 4 years
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Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Foreign currencies

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.

2 Turnover

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

3 Operating profit

This is stated after charging:

	1998	1997
	£	£
Depreciation of owned fixed assets	25	25
Auditors' remuneration	600	600

ARCTIC TIMBER LIMITED
Notes to the Accounts
at 30 April 1998

4 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 May 1997	98
At 30 April 1998	<u>98</u>
Depreciation	
At 1 May 1997	50
Charge for the year	25
At 30 April 1998	<u>75</u>
Net book value	
At 30 April 1998	<u>23</u>
At 30 April 1997	<u>48</u>

5 Debtors

	1998 £	1997 £
Trade debtors	<u>31,030</u>	<u>60,313</u>

6 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	-	78,410
Trade creditors	67,494	35,827
Other creditors	15,841	32,197
	<u>83,335</u>	<u>146,434</u>

7 Share capital

	1998 £	1997 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	1998 No	1997 No	1998 £	1997 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

ARCTIC TIMBER LIMITED**Profit and Loss Account****for the year ended 30 April 1998***for the information of the directors only*

	1998	1997
	£	£
Sales	128,283	286,843
Cost of sales	(86,549)	(258,735)
Gross profit	<u>41,734</u>	<u>28,108</u>
Distribution costs	(20,097)	(21,218)
Administrative expenses	(3,169)	(3,904)
Operating profit	<u>18,468</u>	<u>2,986</u>
Interest receivable	1,033	1,894
Profit before tax	<u>19,501</u>	<u>4,880</u>

ARCTIC TIMBER LIMITED
Notes to the Accounts
at 30 April 1998

8 Profit and loss account	1998	1997
	£	£
At 1 May	27,798	24,017
Retained profit	15,409	3,781
At 30 April	<u>43,207</u>	<u>27,798</u>

9 Reconciliation of movements in shareholders' funds	1998	1997
	£	£
At 1 May	27,898	24,117
Profit for the financial year	15,409	3,781
At 30 April	<u>43,307</u>	<u>27,898</u>

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 £93,303

Kingfisher Timber Products

Commission on timber sales £9,707