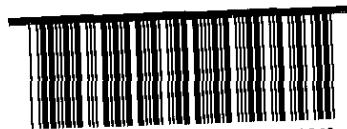


WOODBIDGE TIMBER LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2002



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WOODBIDGE TIMBER LIMITED

COMPANY INFORMATION

Directors	M J Walker J C Campbell G D Watson G C Mileham D A Fairfoull
Secretary	G C Mileham
Company number	83339
Registered office	Carriden Sawmills Bo'ness West Lothian EH51 9SQ
Auditors	Blueprint Audit Limited 1 Royal Terrace Edinburgh EH7 5AD
Accountants and business advisers	Tenon Scotland 1 Royal Terrace Edinburgh EH7 5AD
Bankers	National Westminster Bank Plc P O Box 34 15 Bishopsgate LONDON EC2P 2AP National Westminster Bank Plc 104 Hamilton Road Felixstowe Suffolk IP11 7AB Barclays Bank Plc P O Box 3 1 Princes Street Ipswich Suffolk IP1 1PB

WOODBIDGE TIMBER LIMITED

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WOODBIDGE TIMBER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

The directors present their report and the audited financial statements for the company for the year ended 31st March 2002.

Principal activities and review of business

The company's principal activity continued to be that of importer and wholesaler to the timber trade.

The directors are satisfied with the company's turnover and profitability which were achieved in an extremely competitive market place.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the state of the company's affairs to be satisfactory.

The directors recommend dividends amounting to £155,468 (2001: £148,922).

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2002	At 1st April 2001
M J Walker	-	-	-
J C Campbell	-	-	-
G D Watson	Ordinary shares	78	78
G C Mileham	-	-	-
D A Fairfoull	-	-	-

M J Walker and J C Campbell are directors of James Walker (Leith) Limited, the parent undertaking, and their interests in the shares are disclosed in the report of that company. G D Watson, G C Mileham and D A Fairfoull hold no shares in the parent undertaking.

WOODBIDGE TIMBER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 year. In preparing those 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 which 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.

Auditors

Blueprint Audit Limited will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 12th July 2002, and signed on its behalf by



G C Mileham, Secretary
12th July 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WOODBRIDGE TIMBER LIMITED

We have audited the financial statements on pages 4 to 12 of Woodbridge Timber Limited for the year ended 31st March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date: 20th August 2002
1 Royal Terrace
Edinburgh
EH7 5AD

Blueprint Audit Limited

Blueprint Audit Limited
Registered Auditors

WOODBIDGE TIMBER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	33,841,698	33,153,007
Cost of sales		(31,631,756)	(31,260,742)
Gross profit		2,209,942	1,892,265
Administrative expenses		(1,175,577)	(993,974)
		1,034,365	898,291
Other operating income		24,270	12,500
Operating profit	3	1,058,635	910,791
Interest receivable		10,574	32,453
Interest payable and similar charges	4	(264,817)	(242,438)
Profit on ordinary activities before taxation		804,392	700,806
Tax on profit on ordinary activities	6	(286,587)	(204,818)
Profit for the financial year		517,805	495,988
Dividends	7	(155,468)	(148,922)
Retained profit for the year	17	362,337	347,066

All amounts relate to continuing activities.

There were no recognised gains or losses for 2002 or 2001 other than those included in the profit and loss account.

WOODBIDGE TIMBER LIMITED

BALANCE SHEET

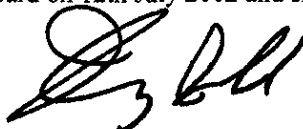
AS AT 31ST MARCH 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	8		232,484		231,631
Current assets					
Stocks	9	5,918,008		3,935,544	
Debtors	10	4,904,871		5,670,936	
Cash at bank and in hand		111,857		116,490	
		10,934,736		9,722,970	
Creditors: amounts falling due within one year	11	(7,217,047)		(6,456,765)	
Net current assets			3,717,689		3,266,205
Total assets less current liabilities			3,950,173		3,497,836
Creditors: amounts falling due after more than one year	12		(100,000)		(10,000)
			3,850,173		3,487,836
Capital and reserves					
Share capital - equity	16		800		800
Share capital - non equity	16		1,200		1,200
Share premium account	17		79,200		79,200
Capital reserve	17		144,398		144,398
Profit and loss account	17		3,624,575		3,262,238
Shareholders' funds					
Equity		3,848,973		3,486,636	
Non-equity		1,200		1,200	
	18		3,850,173		3,487,836

These financial statements were approved by the board on 12th July 2002 and signed on its behalf by:



D A Fairfoull
Director



J C Campbell
Director

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Under Financial Reporting Standard No. 1 (revised) the company is exempt from the requirement to produce a cash flow statement as the ultimate parent undertaking includes the company in its own consolidated financial statements.

Adoption of FRS 18 required a full review of all the company's accounting policies and estimation techniques. This review was conducted in accordance with FRS 18, which requires that, where a choice of treatment is available, the most appropriate accounting and estimation techniques shall be used. Implementation of FRS 18 resulted in no changes being made to the accounting policies.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates and periods generally applicable are:

Freehold land and buildings	- nil
Motor vehicles	- over 4 years
Fixtures and fittings	- over 4 and 8 years

No depreciation is provided on the company's freehold land and buildings. It is the directors' belief that the residual value of these is at least equal to the book value. Having regard to this, it is considered that the depreciation of any such property as required by the Companies Act 1985 and standard accounting practice would not be material.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. This is not in accordance with Financial Reporting Standard 19, which requires full provision of deferred tax assets and liabilities. Unprovided deferred tax, which is not significant, is detailed in note 14 and disclosed as a contingent asset. In the directors' opinion this decision does not impact the true and fair view given by the company's financial statements.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

Contribution to pension funds

The company operates a defined benefit pension scheme on behalf of its employees. Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are evenly matched, so far as possible, to the service lives of the employees concerned. Actuarial valuations are carried out on a triennial basis, any surplus or deficiency in valuation which may rise from time to time is corrected by adjusting the rate of company contributions, over the average remaining service lives of current employees.

The reporting of pension funds is being amended with the phased introduction of FRS 17 Retirement Benefits which will take full effect in 2003. In the current year additional disclosures are required in the notes to the accounts although there is no charge to the Profit and Loss account or Balance Sheet.

Obtaining the additional information from the scheme's actuaries would result in significant additional costs and the directors have taken the view in the current year that it is impractical and uneconomic to commission the work for the additional pension disclosures required to comply with the first phase of the new reporting standard. A full actuarial valuation has been commissioned for 15th November 2002. In the directors opinion this decision does not impact the true and fair view given by the company's financial statements.

The company also operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation of owned tangible fixed assets	68,156	56,565
Auditors' remuneration	6,045	6,045

4 Interest payable and similar charges

	2002	2001
	£	£
Bank overdraft	170,600	125,655
Interest payable on loans from group companies	83,543	33,765
Other interest payable	10,674	83,018
	<u>264,817</u>	<u>242,438</u>

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

5 Directors and employees

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

	2002	2001
	£	£
Wages and salaries	561,180	431,009
Social security costs	42,173	45,377
Other pension costs	25,369	19,337
	<u>628,722</u>	<u>495,723</u>

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

	2002	2001
	Number	Number
Administration	<u>16</u>	<u>16</u>

Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	193,773	204,725
Directors' pension contributions under defined benefit schemes	7,117	6,617
	<u>200,890</u>	<u>211,342</u>

Retirement benefits were accruing to directors under schemes as follows:

	2002	2001
	Number	Number
Defined benefit schemes	<u>3</u>	<u>3</u>

The highest paid director received emoluments and benefits as follows:

	2002	2001
	£	£
Aggregate emoluments	93,857	111,790
Contributions to a defined benefit pension scheme	5,205	4,762
	<u>99,062</u>	<u>116,552</u>

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

6 Taxation

	2002 £	2001 £
Based on the profit for the year:		
UK corporation tax at 30% (2001: 30%)	272,733	204,818
Prior periods:		
UK corporation tax	13,854	-
	<u>286,587</u>	<u>204,818</u>

7 Dividends

	2002 £	2001 £
Equity dividends		
Ordinary dividends - proposed	155,342	148,796
Non equity dividends		
Preference dividends - proposed	126	126
Total equity and non-equity dividends	<u>155,468</u>	<u>148,922</u>

8 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1st April 2001	153,354	91,018	154,220	398,592
Additions	-	70,693	20,951	91,644
Disposals	-	(65,180)	-	(65,180)
At 31st March 2002	<u>153,354</u>	<u>96,531</u>	<u>175,171</u>	<u>425,056</u>
Depreciation				
At 1st April 2001	-	57,101	109,860	166,961
Charge for the year	-	28,955	39,201	68,156
Disposals	-	(42,545)	-	(42,545)
At 31st March 2002	<u>-</u>	<u>43,511</u>	<u>149,061</u>	<u>192,572</u>
Net book value				
At 31st March 2002	<u>153,354</u>	<u>53,020</u>	<u>26,110</u>	<u>232,484</u>
At 31st March 2001	<u>153,354</u>	<u>33,917</u>	<u>44,360</u>	<u>231,631</u>

9 Stocks

	2002 £	2001 £
Goods for resale	<u>5,918,008</u>	<u>3,935,544</u>

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

10	Debtors	2002	2001
		£	£
	Trade debtors	2,497,252	2,796,035
	Amounts owed by parent undertaking	5,083	27,000
	Amounts owed by fellow subsidiary undertakings	158,531	127,427
	Bills of exchange receivable	2,199,185	2,677,252
	Prepayments and accrued income	44,820	43,222
		<u>4,904,871</u>	<u>5,670,936</u>
11	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank overdraft	344,119	40,172
	Trade creditors	2,703,418	1,774,133
	Bills of exchange payable	696,237	701,736
	Amounts owed to fellow subsidiary undertakings	2,072,893	470,162
	Corporation tax	272,733	203,578
	Other taxes and social security	662,080	787,198
	Other creditors	-	2,127,000
	Accruals and deferred income	310,099	203,864
	Proposed dividend	155,468	148,922
		<u>7,217,047</u>	<u>6,456,765</u>
12	Creditors: amounts falling due after more than one year	2002	2001
		£	£
	Accruals and deferred income	100,000	10,000
13	Secured creditors		

The company has granted to the National Westminster Bank Plc a legal mortgage over the company's freehold property, 102 The Thoroughfare, Woodbridge, and a floating charge over all other property and assets of the company. At 31st March 2002 the amount of the company's borrowings secured by the above was £344,119 (2001: £2,167,142).

Barclays Bank plc hold a letter of comfort from James Walker (Leith) Limited dated 31st March 1995.

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

14 Deferred taxation

Deferred taxation unprovided in the financial statements is set out below. The amount unprovided represents a contingent asset at the balance sheet date and is calculated using a tax rate of 30% (2001: 30%).

	Amount unprovided	
	2002	2001
	£	£
Accelerated capital allowances	(25,000)	(25,000)
Other timing differences	(30,000)	(3,000)
	<u>(55,000)</u>	<u>(28,000)</u>

15 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £18,252 (2001: £19,337).

The company is also a member of a group defined benefit scheme, the assets of which are held in a separately administrated fund. Full details of the group scheme can be found on the financial statements of James Walker (Leith) Limited.

16 Share capital

	2002	2001
	£	£
Authorised		
Equity shares		
800 Ordinary shares of £1.00 each	800	800
Non Equity Shares		
1,200 Preference shares of £1.00 each	1,200	1,200
	<u>2,000</u>	<u>2,000</u>
Allotted		
Equity shares		
800 Ordinary shares of £1.00 each	800	800
Non Equity Shares		
1,200 Preference shares of £1.00 each	1,200	1,200
	<u>2,000</u>	<u>2,000</u>

WOODBIDGE TIMBER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2002

17 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £
At 1st April 2000	79,200	144,398	2,915,172
Profit for the year	-	-	347,066
At 1st April 2001	79,200	144,398	3,262,238
Profit for the year	-	-	362,337
At 31st March 2002	79,200	144,398	3,624,575

18 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Profit for the financial year	517,805	495,988
Dividends	(155,468)	(148,922)
Increase in the shareholders' funds	362,337	347,066
Opening shareholders' funds	3,487,836	3,140,770
Closing shareholders' funds	3,850,173	3,487,836

19 Related parties

The company's parent undertaking is James Walker (Leith) Limited, a company registered in Scotland.

As a subsidiary of James Walker (Leith) Limited, advantage has been taken of the exemption granted by Financial Reporting Standard 8, Related Party Disclosures, not to report details of the transactions with entities which are more than 90% controlled by a common parent company.