Registered no: 333593

Salford Investments Limited

Report and financial statements

for the year ended 31 March 2003

Salford Investments Limited

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Directors and advisers

Directors

JAL Tolland
EG Lynch

Secretary

D Boyce

Registered office

Wigan Lane
Duxbury
Chorley
Lancashire
PR7 4BU

Solicitors

L'Estrange & Brett
Arnott House
12/16 Bridge Street
Belfast
BT1 1LS

Bankers

National Westminster Bank plc
PO Box 305
Spring Gardens
Manchester
M60 2DB

Registered auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Directors' report for the year ended 31 March 2003

The directors present their report and the audited financial statements for the year ended 31 March 2003.

Principal activities

The principal activities of the company were those of manufacturing and distribution of wooden dowels, mouldings and broomhandles, timber merchanting and importing.

Review of business and future developments

In April 2001 the company disposed of the trade and assets of the business.

Results and dividends

The profit and loss account is set out on page 5. The directors do not recommend the payment of a dividend (2002: £934,542).

Directors and their interests

The directors of the company at the date of this report are shown on page 1.

None of the directors who held office at the end of the financial period had an interest in the shares of the company. The interests of the directors in the share capital of the ultimate holding company are disclosed in the directors' report of that company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs and of the profit or loss of the company for that period. 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 to 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board

D Boyce
Secretary
12 August 2003

Independent auditors' report to the members of Salford Investments Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

Basis of audit opinion

We conducted our 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.

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 at 31 March 2003 and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Belfast
12 August 2003

Profit and loss account for the year ended 31 March 2003

	Notes	2003 £	2002 £
Turnover	2	-	654,597
Cost of sales		-	(421,252)
Gross profit		-	233,345
Distribution costs		-	(243,310)
Administrative expenses		-	(51,182)
Other operating income		-	10,400
Operating loss	3	-	(50,747)
Profit on disposal of operation	4	-	848,756
Interest payable	7	-	(14,347)
Profit on ordinary activities before taxation		-	783,662
Taxation	8	-	-
Profit for the financial period		-	783,662
Dividends paid		-	(934,542)
Transfer from reserves	11	-	(150,880)

All amounts above relate to discontinued operations of the company.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above, and their historical cost equivalents.

Balance sheet at 31 March 2003

	Notes	**2003** £	2002 £
Debtors	9	**980**	980
Net assets		**980**	980
Capital and reserves			
Called up share capital	10	**980**	980
Equity shareholders' funds	11	**980**	980

The financial statements on pages 5 to 10 were approved by the board on 12 August 2003 and were signed on its behalf by:

JAL Tolland

Director

Notes to the financial statements for the year ended 31 March 2003

1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The significant accounting policies adopted are set out below.

Turnover

Turnover represents the invoiced value of goods supplied during the year excluding value added tax.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

Cash flow statement

The company is exempt from the requirements to prepare a statement under Financial Reporting Standard 1 "Cash Flow Statements".

2 Turnover

All sales were made in the United Kingdom.

3 Operating loss

	2003	2002
	£	£
This is stated after charging/(crediting)		
Operating leases		
– plant and vehicles	-	26,631
Depreciation	-	12,729
Group rents received	-	(10,400)

4 Profit on disposal of operation

This relates to the profit on disposal of the company's business and related assets. There is no taxation in relation to the disposal.

5 Employee information

	2003	2002
	£	£
Staff costs		
Wages and salaries	-	143,093
Social security costs	-	7,961
	-	151,054

	Number	Number
Average monthly number of persons employed by the company (including directors) during the period by activity:		
Production	-	3
Distribution	-	2
Administration	-	1
	-	6

6 Directors' emoluments

The directors were not remunerated by the company during the year.

7 Interest payable and similar charges

	2003	2002
	£	£
Bank interest payable	-	14,347

8 Taxation

	2003	2002
	£	£
Current tax:		
UK corporation tax at 30%	-	-
Deferred tax		
Accelerated capital allowances and other timing differences	-	-
Total deferred tax	-	-
Taxation credit	-	-

8 Taxation (continued)

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003	2002
	£	£
Profit on ordinary activities before tax	-	783,662
Profit on ordinary activities multiplied by standard rate in the UK (30%)	-	235,099
Effects of:		
Expenses not deductible for tax purposes	-	238
Non-taxable gain on fixed asset disposals	-	(238,983)
Group relief not paid	-	24,432
Deferred tax asset not recognised	-	(20,786)
Current tax charge for the period	-	-

9 Debtors

	2003	2002
	£	£
Amounts owed by group undertakings	**980**	980

10 Called up share capital

	2003	2002
	£	£
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted and fully paid		
980 ordinary shares of £1 each	**980**	980

11 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	-	783,662
Dividends	-	(934,542)
Net movement during the year	-	(150,880)
Opening shareholders' funds	**980**	151,860
Closing shareholders' funds	**980**	980

12 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard 8 'Related Party Disclosures' and has not disclosed related party transactions between group companies.

13 Ultimate holding company

The ultimate holding company is JP Corry Group Limited, a company registered in Northern Ireland.

The immediate holding company is RK Timber Limited, a company incorporated in England and Wales.