

**West's Dowels and Mouldings Limited**  
**Abbreviated financial statements**  
**for the period ended 31 March 2000**



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# West's Dowels and Mouldings Limited

## Abbreviated financial statements for the period ended 31 March 2000

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## Directors and advisers

### Directors

W T Hughes  
W A Gunn  
A Adams

### Secretary

W T Hughes

### Registered office

South Langworthy Road  
Salford  
M5 2PX

### Solicitors

L'Estrange & Brett  
Arnott House  
16/19 Bridge Street  
Belfast  
BT1 1SL

### Bankers

Nat West Bank  
P O Box 305  
Spring Gardens  
Manchester  
M60 2DB

### Registered auditors

PricewaterhouseCoopers  
Fanum House  
108 Great Victoria Street  
Belfast  
BT2 7AX

## Directors' report for the period ended 31 March 2000

The directors present their report and the audited financial statements for the 15 month period ended 31 March 2000.

### Principal activities

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

### Review of business and future developments

Business during the period remained highly competitive. The group undertook a major reorganisation programme in January/February 2000, the costs of which are partly reflected in these financial statements. The directors believe that the company is now better placed to take advantage of available market opportunities.

### Results and dividends

The profit and loss account is set out is shown on page 5. The directors do not recommend a final dividend.

### Directors and their interests

The directors of the company at the date of this report are shown on page 1. W T Hughes was appointed on 12 May 1999.

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.

### Year 2000

A project was implemented in 1999 to ensure that all computer systems and other equipment were Year 2000 compliant. Areas of non-compliance were specifically addressed and major suppliers and customers contacted to assess their preparedness in relation to Year 2000. While, given the complexity of the issue, it was not possible for any organisation to be absolutely certain that no problems would occur, the company made every effort to avoid the possibility of business disruption. Since 1 January 2000 there has been no indication of difficulties arising from the Year 2000 issue.

### Introduction of the euro

We are aware of the implications of the introduction of the euro for our information systems. It is not anticipated that significant expenditure will be incurred in relation to systems modifications.

## 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:

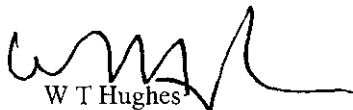
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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

PricewaterhouseCoopers were appointed as auditors to the company during the period, replacing Cooper Lancaster Brewers. PricewaterhouseCoopers have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

  
W T Hughes  
Secretary  
29 June 2000

**Report of the auditors to the directors of  
West's Dowels and Mouldings Limited under Section 247B  
of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 5 to 12 together with the annual financial statements of West's Dowels and Mouldings Limited for the year ended 31 March 2000.

**Respective responsibilities of directors and auditors**

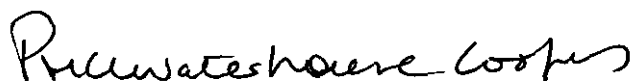
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246A(3) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Belfast  
29 June 2000

**Abbreviated profit and loss account  
for the period ended 31 March 2000**

	Notes	15 months to 31 March 2000 £	12 months to 31 December 1998 £
<b>Gross profit</b>		<b>1,846,671</b>	1,510,824
Distribution costs		(1,074,990)	(912,618)
Administrative expenses		(345,786)	(266,761)
Other operating income		78,000	60,000
<b>Operating profit</b>	3	<b>503,895</b>	391,445
Bank interest receivable		-	6,604
Interest payable	6	(133,951)	(49,844)
<b>Profit on ordinary activities before taxation</b>		<b>369,944</b>	348,205
Tax on profit on ordinary activities	7	(112,287)	(109,167)
<b>Profit for the financial period</b>		<b>257,657</b>	239,038
Dividends	8	-	(239,038)
<b>Retained profit for the period</b>	16	<b>257,657</b>	-

All amounts above relate to continuing 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 retained profit for the period stated above, and their historical cost equivalents.

## Abbreviated balance sheet as at 31 March 2000

	Notes	31 March 2000 £	31 December 1998 £
<b>Fixed assets</b>			
Tangible assets	9	743,007	654,527
<b>Current assets</b>			
Stocks	10	1,858,629	1,670,740
Debtors	11	1,495,539	1,489,766
Cash at bank and in hand		1,500	91,921
		<b>3,355,668</b>	<b>3,252,427</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,340,223)</b>	<b>(2,449,686)</b>
<b>Net current assets</b>		<b>1,015,445</b>	<b>802,741</b>
<b>Total assets less current liabilities</b>		<b>1,758,452</b>	<b>1,457,268</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>Provisions for liabilities and charges</b>	14	<b>(29,711)</b>	<b>13,816</b>
<b>Net assets</b>		<b>228,741</b>	<b>(28,916)</b>
<b>Capital and reserves</b>			
Called up share capital	15	980	980
Profit and loss account	16	227,761	(29,896)
<b>Equity shareholders' funds</b>	17	<b>228,741</b>	<b>(28,916)</b>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

  
W T Hughes

**Directors**

29 June 2000



## Notes to the abbreviated financial statements for the period ended 31 March 2000

### 1 Accounting policies

These financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards. The significant accounting policies adopted are set out below. The directors consider that these accounting policies are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Freehold land	-
Buildings	3
Plant and machinery	15
Commercial vehicles	20
Display equipment	25
Cars and internal transport	25

#### Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Cost is direct cost of materials plus freight and where appropriate includes a proportion of overhead expenses.

#### Turnover

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

#### Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

#### Leased assets

Rentals under operating leases are charged to revenue as incurred.

#### Pension costs

The company is a member of the RK Timber Limited Group Pension and Life Assurance Scheme. Contributions to the scheme are made by both employees and the company as fixed by independent actuaries. The contributions are based on pension costs across the group as a whole. The cost of these are charged against profits on systematic basis over the service lives of the employees.

#### Cash flow statement

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

### 2 Turnover

All sales were made in the United Kingdom.

**3 Operating profit**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
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**This is stated after charging/(crediting)**

Operating leases		
– plant and vehicles	242,822	167,558
Depreciation	128,957	123,609
Group rents received	(78,000)	(60,000)
Profit on sale of fixed assets	(1,700)	(5,900)
Auditors' remuneration	9,750	11,500

**4 Employee information**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
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**Staff costs**

Wages and salaries	1,523,944	1,162,755
Social security costs	106,323	81,801
Other pension costs	64,809	45,958
	1,695,076	1,290,514

	Number	Number
Average monthly number of persons employed by the company (including directors) during the period by activity:		
Production	42	42
Distribution	21	21
Administration	11	11
	74	74

**5 Directors' emoluments**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
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Aggregate emoluments	113,252	73,839
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Retirement benefits are accruing to three (1998 – two) directors under defined benefit schemes.

**6 Interest payable and similar charges**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
Bank interest payable	48,564	-
Group interest	85,387	49,844
	<b>133,951</b>	<b>49,844</b>

**7 Tax on profit on ordinary activities**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
<b>Taxation on profit for the period</b>		
UK corporation tax at 30% (1998 - 31%)	-	128,729
Group relief	104,004	-
Deferred tax	8,162	(30,642)
Prior periods:		
Corporation tax	(35,244)	11,080
Deferred tax	35,365	-
	<b>112,287</b>	<b>109,167</b>

**8 Dividends**

	15 months to 31 March 2000 £	12 months to 31 December 1998 £
Ordinary - proposed	-	239,038

**9 Tangible fixed assets**

	Freehold land and buildings £	Plant, equipment and vehicles £	Total £
<b>Cost</b>			
At 1 January 1999	644,572	1,072,870	1,717,442
Additions	36,500	180,937	217,437
Disposals	-	(122,652)	(122,652)
<b>At 31 March 2000</b>	<b>681,072</b>	<b>1,131,155</b>	<b>1,812,227</b>
<b>Depreciation</b>			
At 1 January 1999	236,190	826,725	1,062,915
Charge for the period	11,244	117,713	128,957
Disposals	-	(122,652)	(122,652)
<b>At 31 March 2000</b>	<b>247,434</b>	<b>821,786</b>	<b>1,069,220</b>
<b>Net book value</b>			
<b>At 31 March 2000</b>	<b>433,638</b>	<b>309,369</b>	<b>743,007</b>
At 31 December 1998	408,382	246,145	654,527

## 10 Stocks

The stock consists wholly of goods for resale.

## 11 Debtors

	31 March 2000 £	31 December 1998 £
Trade debtors	1,452,853	1,409,719
Amounts owed by group undertakings	16,492	23,678
Prepayments and accrued income	26,194	56,369
	<b>1,495,539</b>	<b>1,489,766</b>

## 12 Creditors: amounts falling due within one year

	31 March 2000 £	31 December 1998 £
Bank overdraft	1,235,266	-
Trade creditors	505,610	320,277
Amounts owed to group undertakings	324,378	1,408,192
Corporation tax	-	128,729
Group relief payable	104,004	-
Other taxes and social security costs	58,303	96,745
Accruals	112,662	256,705
Proposed dividend	-	239,038
	<b>2,340,223</b>	<b>2,449,686</b>

## 13 Creditors: amounts falling due after more than one year

	31 March 2000 £	31 December 1998 £
Group financing loan	-	1,500,000
Amounts owed to group undertakings	1,500,000	-
	<b>1,500,000</b>	<b>1,500,000</b>

## 14 Provisions for liabilities and charges

### Deferred taxation

Balance at 1 January 1999	(13,816)
Charged to profit and loss account	43,527
<b>At 31 March 2000</b>	<b>29,711</b>

	Provided for 31 March 2000 £	Provided for 31 December 1998	Not provided For 31 March 2000 £	Not provided For 31 December 1998 £
<b>Deferred taxation</b>				
Accelerated capital allowances	29,711	(13,816)	-	-
	<b>29,711</b>	<b>(13,816)</b>	<b>-</b>	<b>-</b>

## 15 Called up share capital

	31 March 2000 £	31 December 1998 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted and fully paid</b>		
980 ordinary shares of £1 each	980	980

## 16 Profit and loss account

	£
Balance at 1 January 1999 as previously stated	5,104
Prior year adjustment (see below)	(35,000)
As restated	(29,896)
Retained profit for the period	257,657
<b>Balance at 31 March 2000</b>	<b>227,761</b>

The prior year adjustment relates to a restatement of stock valuation in earlier years. This adjustment has not impacted on the results for the period to 31 March 2000 or the comparative period.

## 17 Reconciliation of movements in shareholders' funds

	31 March 2000 £	31 December 1998 £
Net profit for the period	257,657	239,038
Dividends	-	(239,038)
	<b>257,657</b>	<b>-</b>
Shareholders' funds brought forward	(28,916)	(28,916)
<b>Shareholders' funds carried forward</b>	<b>228,741</b>	<b>(28,916)</b>

## 18 Contingent liabilities

The overdrafts of the company and the bank loans of R K Timber Limited are secured by a debenture on all assets and property of the company and cross company guarantees.

Amounts owed to J P Corry Group Limited and its subsidiaries are subordinated to amounts owed to the company's bankers.

## 19 Future capital commitments

	31 March 2000 £	31 December 1998 £
<b>Capital expenditure</b>		
Contracted for but not provided in the financial statements	Nil	118,950

## 20 Financial commitments

	31 March 2000 £	31 December 1998 £
<b>Annual charges in respect of operating leases terminating:</b>		
Plant and vehicles		
Within one year	11,240	18,195
Within two to five years	13,780	161,933
	<b>25,020</b>	<b>180,128</b>

## 21 Pension commitments

The group scheme is a funded, defined benefit pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held in an independent trust. An independent actuarial valuation was carried out on 6 April 1997 which disclosed that the scheme was in excess of funding.

Particulars of the actuarial valuation of the Group scheme are disclosed in the financial statements of RK Timber Limited.

## 22 Related party disclosures

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

## 23 Ultimate holding party

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.