

Company number 333593

WEST'S DOWELS AND MOULDINGS LIMITED
Trading as Raab Karcher Timber Salford

Financial Statements

For the year ended 31 December 1994

**COOPER
LANCASTER
BREWERS**
Chartered Accountants
BOLTON



WEST'S DOWELS AND MOULDINGS LIMITED
Trading as Raab Karcher Timber Salford

Company number 333593

Notice to Shareholders in accordance with Section 253, Companies Act 1985.

The Company has dispensed with the need to lay accounts and reports before an annual general meeting.

If any Shareholder requires that a general meeting be held for the purposes of laying the accounts and reports before the Company, they should write, within 28 days of this notice, to the directors at the Company's Registered Office, advising the directors to call such a meeting.

B Lea
Secretary



26 January 1995

Registered Office
South Langworthy Road
Salford
M5 2PX

WEST'S DOWELS AND MOULDINGS LIMITED
Trading as Raab Karcher Timber Salford

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Directors Report

The Directors submit their report to the shareholders, together with the audited accounts for year ended 31 December 1994.

Results and dividends

A summary of the results is as follows:

	1994 £	1993 £
Turnover	7,431,784	6,868,556
Profit before taxation	210,999	191,726
Profit after taxation	156,811	165,744
Proposed dividend	(156,811)	(165,744)
Transfer reserves	-	-

Review of the business

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

Despite continuing problems in the trade, the Directors report further improvement in the trading position for 1994. The outlook for 1995 is also considered to be positive.

Directors and their interests

The Directors holding office during the year were as follows :-

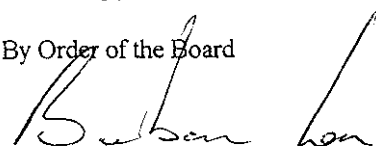
E Broomhead
B Gittins
A Adams
E Boardman
W H Gunn
B Barclay (Resigned 30 August 1994)

No Director holds shares in the Company and no Director, whose holding is required to be mentioned in this report, holds shares or debentures in other companies in the Group.

Auditors

At a meeting of the members on 2 December 1994, a resolution was approved to "dispense with the need to appoint auditors annually", as required by Section 386 of the Companies Act 1985. Accordingly, Cooper Lancaster Brewers will remain in office until further notice.

By Order of the Board



B Lea
Secretary
26 January 1995

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 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
- 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.

**To the shareholders of West's Dowels and Mouldings Limited
Trading as Raab Karcher Timber Salford**

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

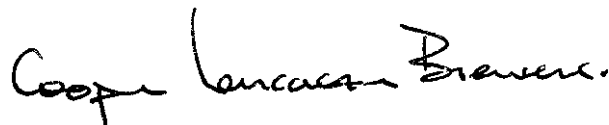
Basis of opinion

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 as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bolton

26 January 1995

COOPER LANCASTER BREWERS

Chartered Accountants

Registered Auditors

Profit and Loss Account
For the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover	1	7,431,784	6,868,556
Cost of sales		(6,157,708)	(5,637,082)
Gross profit		1,274,076	1,231,474
Distribution costs		(771,363)	(758,989)
Administration expenses		(268,247)	(239,157)
Other operating income		48,000	44,004
Operating profit	2	282,466	277,332
Bank interest receivable		9,235	245
Interest payable	3	(80,702)	(85,851)
Profit on ordinary activities before taxation		210,999	191,726
Taxation	5	(54,188)	(25,982)
Profit on ordinary activities after taxation		156,811	165,744
Dividend	6	(156,811)	(165,744)
Retained profit for the year		-	-

All turnover and operating profit arises from continuing operations.

Statement of Total Recognised Gains and Losses

The profit on ordinary activities, after taxation, as stated above recognises all gains and losses for the financial year, as defined by the Financial Reporting Standard No. 3.

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Trading as Raab Karcher Timber Salford

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Balance Sheet
As at 31 December 1994

	Note	1994 £	1993 £
Fixed Assets			
Tangible assets	7	727,971	645,426
Current Assets			
Stocks	8	2,615,364	1,831,850
Debtors	9	1,419,223	1,292,085
Cash in hand		2,000	1,483
		4,036,587	3,125,418
Creditors due within one year	10	(4,754,241)	(3,764,657)
Net current liabilities		(717,654)	(639,239)
Total assets less current liabilities		10,317	6,187
Provision for liabilities and charges	11	(4,130)	-
		6,187	6,187
Capital and Reserves			
Called up share capital	12	980	980
Profit and loss account		5,207	5,207
Total shareholders' funds	13	6,187	6,187

These accounts were approved by the Board of Directors on 26 January 1995 and signed on its behalf by :

B Gittins)
)
 A Adams)

Directors

B Gittins
A Adams

Accounting Policies

Basis of accounting

These accounts have been prepared using the historical cost basis of accounting and in accordance with applicable accounting standards.

Cash flow statement

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

Turnover

Turnover represents amounts charged to customers for goods sold, excluding value added tax, including sales to fellow subsidiaries of the Company.

Depreciation

No depreciation is provided on land.

Other fixed assets are written off in equal annual instalments over their useful lives, the principal rates applied being :-

Freehold buildings	3%
Plant and equipment	15%
Commercial vehicles	20%
Cars and internal transport	25%

Stocks

Stock is valued at the lower of cost and net realisable value. Cost includes a proportion of overheads, where appropriate.

Deferred taxation

Deferred taxation is provided where, in the opinion of the Directors, a liability is likely to arise in the foreseeable future.

Leased assets

The rental costs arising from operating leases are charged against profit as they arise.

Pensions

The Company is a member of the Raab Karcher (UK) PLC 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 a systematic basis over the service lives of the employees.

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Trading as Raab Karcher Timber Salford

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Notes to the Accounts

	1994	1993
	£	£
1. Turnover		
All sales were made in the United Kingdom.		
2. Operating profit		
Operating profit is stated after including :-		
Operating leases - plant and vehicles	153,747	151,779
Hire charges	35,404	48,107
Depreciation	121,729	95,375
Group rents received	(48,000)	(44,004)
Profit on sale of fixed assets	(4,593)	(12,192)
Auditors remuneration	10,500	9,900
3. Interest payable		
Group interest	-	-
Bank interest	80,702	85,851
	<u>80,702</u>	<u>85,851</u>
4. Employees		
The aggregate payroll costs during the year amounted to :-		
Wages and salaries	1,087,455	1,011,941
Social security costs	80,816	76,973
Other pension costs	64,943	61,378
	<u>1,233,214</u>	<u>1,150,292</u>
	Number	Number
The average weekly number of employees during the year was	80	77

Notes to the Accounts (continued)

	1994	1993
	£	£
4. Employees (continued)		
The emoluments of the Directors, which are included in the aggregate payroll costs, including pension contributions, were :-	130,002	137,908
The Directors emoluments, excluding pension contributions, were as follows :-		
Chairman	Nil	Nil
Highest paid Director	30,810	28,670
Other Directors were within the following ranges :-		
	Number	Number
£10,001 - £15,000	-	1
£15,001 - £20,000	1	2
£20,001 - £25,000	2	2
£25,001 - £30,000	1	-
5. Taxation on ordinary activities		
	£	£
The charge for the year comprises :-		
Corporation tax at 33% (1993 33%)	50,058	25,982
Adjustment in respect of prior year	-	-
Transfer deferred taxation	4,130	-
	<u>54,188</u>	<u>25,982</u>
6. Dividend		
Ordinary - proposed	<u>156,811</u>	<u>165,744</u>

Notes to the Accounts (continued)

7. Tangible assets

	Freehold Land & Buildings £	Plant Equipment & Vehicles £	Total £
Cost			
At 1 January 1994	529,160	843,489	1,372,649
Additions	-	211,756	211,756
Disposals	-	(42,614)	(42,614)
Group transfers	-	-	-
At 31 December 1994	529,160	1,012,631	1,541,791
Depreciation			
At 1 January 1994	159,938	567,285	727,223
Charge for the year	13,094	108,635	121,729
Disposals	-	(35,132)	(35,132)
Group transfers	-	-	-
At 31 December 1994	173,032	640,788	813,820
Net book value			
31 December 1994	356,128	371,843	727,971
31 December 1993	369,222	276,204	645,426

Land included above and not depreciated amounted to £101,000 (1993 £101,000).

8. Stocks

Raw materials and goods for resale	1,698,470	1,199,051
Finished goods	916,894	632,799
	2,615,364	1,831,850

9. Debtors

Trade debtors	1,326,090	1,200,947
Amounts due from group undertakings	41,499	45,856
Other debtors	16,008	-
Prepayments and accrued income	35,626	45,282
	1,419,223	1,292,085

Notes to the Accounts (continued)

	1994	1993
	£	£
10. Creditors		
Due within one year		
Bank overdraft	1,770,009	1,072,581
Trade creditors	507,847	528,685
Amounts due to group undertakings	1,989,883	1,683,088
Bills payable	90,384	-
Corporation tax	50,058	25,982
Other taxes and social security costs	12,196	112,513
Accruals	177,053	176,064
Proposed dividend	156,811	165,744
	4,754,241	3,764,657

11. Provision for liabilities and charges

Deferred taxation

Balance 1 January 1994	-	-
Transfer profit and loss account	4,130	-
	4,130	-
Balance 31 December 1994	4,130	-

The balance represents the excess of capital allowances over depreciation.

12. Share capital

Authorised

Ordinary shares of £1 each	1,000	1,000
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Allotted, issued and fully paid

Ordinary shares of £1 each	980	980
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13. Reconciliation of movements in shareholders' funds

Net profit for the financial year	156,811	165,744
Dividends	(156,811)	(165,744)
	-	-
Shareholders' funds brought forward	6,187	6,187
Shareholders' funds carried forward	6,187	6,187

Notes to the Accounts (continued)

	1994	1993
	£	£

14. Contingent liabilities

The Company has given guarantees as follows :-

In connection with the bank indebtedness of other undertakings in the group, which at 31 December 1994 amounted to £5.13m.

To certain banks in respect of guarantees by them amounting to £40,000 given to H M Customs & Excise for potential value added tax liabilities of the Company.

15. Future financial commitments

Capital commitments

Contracted but not provided in the accounts	Nil	Nil
Authorised by the Directors but not contracted	57,000	Nil

Operating lease commitments

Annual charges in respect of operating leases terminating :-

Plant

Within 1 year	86,002	5,892
Within 2 - 5 years	80,004	134,335

16. Pensions

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 1991 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 Raab Karcher (UK) PLC.

17. Ultimate holding company

The ultimate holding company is Veba AG, a company registered in Germany.

The immediate holding company is Raab Karcher (Timber) Limited, a company incorporated in England and Wales.

Group accounts are drawn up for Raab Karcher (UK) PLC, a company incorporated in England and Wales, which is the United Kingdom parent company of Raab Karcher (Timber) Limited. These are available from South Langworthy Road, Salford.