

Andersons (Denton Holme) Limited
Abbreviated Accounts
For the year ended
31 December 2006



Company No. 3233431

Andersons (Denton Holme) Limited

Abbreviated Accounts

Year ended 31 December 2006

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Andersons (Denton Holme) Limited

Officers and Professional Advisers

The board of directors

M Barker
V Woods

Company secretary

C Barker

Registered office

Denton Holme Sawmills
Denton Street
Carlisle
Cumbria
CA2 5EQ

Auditor

Horwath Clark Whitehill (Yorkshire) LLP
Chartered Accountants
& Registered Auditors
Pelican House
10 Currer Street
Bradford
BD1 5BA

Bankers

National Westminster Bank plc
PO Box 666
Ashton House
Waterloo Street
Bolton
BL1 8FH

Andersons (Denton Holme) Limited

Directors' Report

Year ended 31 December 2006

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2006

Principal activities and business review

The principal activity of the company during the year was that of timber merchants and kitchen furniture suppliers

The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders' funds amounting to £861,417

The company supplies timber, kitchen and joinery products, to both trade and retail customers, from its three depots located in Carlisle, Dumfries and Kilmarnock

The directors are pleased to report another successful year of trading, with increases in turnover and gross margin due to improved efficiency. Net profit in the year was adversely affected by a significant bad debt in one of the branches

The directors are pleased to announce another excellent safety record for the past year with no reportable incidents. The company is committed to a full training programme for all employees to ensure that this record continues

The company has recently secured land for another branch and the directors are actively looking for sites in other areas to continue expanding the business as well as seeking opportunities for diversification

Results and dividends

The profit for the year, after taxation, amounted to £141,627. The directors have not recommended a dividend

Financial risk management objectives and policies

The directors believe that they have addressed all the major risks faced by the business. The company has long term supply agreements in place with key suppliers and recent interest rate rises have not had an adverse effect on sales. Bad debt risk remains an issue but is managed as effectively as possible. The company is committed to a full programme of staff training and has benefited in the past from a low rate of staff turnover

The directors continually strive to monitor and anticipate change in the market place and embrace new products and technologies to ensure that the business is a market leader and not a follower

The current building of new property, along with the trend of refurbishing older buildings that are increasing in value, is expected to lead to higher demand for the company's products in the medium term

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

Andersons (Denton Holme) Limited

Directors' Report *(continued)*

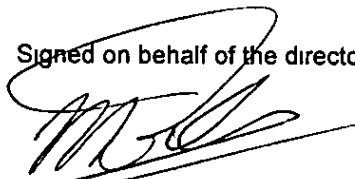
Year ended 31 December 2006

	Ordinary Shares of £1 each	
	At 31 December 2006	At 1 January 2006
M Barker	45,000	45,000
V Woods	<u>5,000</u>	<u>5,000</u>

Auditor

A resolution to re-appoint Horwath Clark Whitehill (Yorkshire) LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Signed on behalf of the directors



M Barker
Director

18 May 2007

Andersons (Denton Holme) Limited

Statement of Directors' Responsibilities

Year ended 31 December 2006

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,

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 that 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.

In so far as the directors are aware

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Independent Auditor's Report to Andersons (Denton
Holme) Limited**

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 6 to 18, together with the financial statements of Andersons (Denton Holme) Limited for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

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

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Horwath Clark Whitehill (Yorkshire) LLP

Bradford
18 May 2007

**HORWATH CLARK WHITEHILL
(YORKSHIRE) LLP**
Chartered Accountants
& Registered Auditors

Andersons (Denton Holme) Limited

Abbreviated Profit and Loss Account

Year ended 31 December 2006

	Note	2006 £	2005 £
Gross profit		2,703,672	2,515,854
Administrative expenses		2,418,952	<u>2,141,956</u>
Operating profit	2	284,720	373,898
Interest receivable and similar income		3,781	6,369
Interest payable and similar charges	5	(61,212)	<u>(40,772)</u>
Profit on ordinary activities before taxation		227,289	339,495
Tax on profit on ordinary activities	6	85,662	142,839
Profit for the financial year		<u>141,627</u>	<u>196,656</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 10 to 18 form part of these abbreviated accounts.

Andersons (Denton Holme) Limited

Abbreviated Balance Sheet

31 December 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	8	<u>1,736,333</u>	<u>1,812,664</u>
Current assets			
Stocks	9	916,454	698,296
Debtors	10	1,022,611	1,155,424
Cash at bank and in hand		<u>20,771</u>	<u>204,181</u>
		<u>1,959,836</u>	<u>2,057,901</u>
Creditors: Amounts falling due within one year	11	<u>2,096,893</u>	<u>2,355,968</u>
Net current liabilities		(137,057)	(298,067)
Total assets less current liabilities		<u>1,599,276</u>	<u>1,514,597</u>
Creditors: Amounts falling due after more than one year	12	<u>672,359</u>	<u>729,307</u>
		<u>926,917</u>	<u>785,290</u>
Provisions for liabilities			
Deferred taxation	14	<u>65,500</u>	<u>65,500</u>
		<u>861,417</u>	<u>719,790</u>
Capital and reserves			
Called-up equity share capital	16	50,000	50,000
Revaluation reserve		426,131	426,131
Profit and loss account	17	385,286	243,659
Shareholders' funds	18	<u>861,417</u>	<u>719,790</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors on the 18 May 2007 and are signed on their behalf by



M Barker

The notes on pages 10 to 18 form part of these abbreviated accounts.

Andersons (Denton Holme) Limited

Cash Flow Statement

Year ended 31 December 2006

	2006 £	2005 £
Net cash inflow/(outflow) from operating activities	185,107	(21,840)
Returns on investments and servicing of finance		
Interest received	3,781	6,369
Interest paid	(48,645)	(32,818)
Interest element of hire purchase	(12,567)	(7,954)
Net cash outflow from returns on investments and servicing of finance	(57,431)	(34,403)
Taxation	(145,048)	(21,839)
Capital expenditure		
Payments to acquire tangible fixed assets	(121,468)	(322,101)
Receipts from sale of fixed assets	24,354	47,962
Net cash outflow from capital expenditure	(97,114)	(274,139)
Equity dividends paid	-	(100,000)
Cash outflow before financing	(114,486)	(452,221)
Financing		
(Repayment of)/increase in bank loans	(51,024)	574,094
Capital element of hire purchase	(17,900)	(2,474)
Net cash (outflow)/inflow from financing	(68,924)	571,620
(Decrease)/increase in cash	(183,410)	119,399
Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		
	2006 £	2005 £
Operating profit	284,720	373,898
Depreciation	175,058	157,670
(Profit)/Loss on disposal of fixed assets	(1,613)	9,298
Increase in stocks	(218,158)	(16,629)
Decrease/(increase) in debtors	132,813	(210,789)
Decrease in creditors	(187,713)	(335,288)
Net cash inflow/(outflow) from operating activities	185,107	(21,840)

Andersons (Denton Holme) Limited

Cash Flow Statement *(continued)*

Year ended 31 December 2006

Reconciliation of net cash flow to movement in net debt

	2006 £	2005 £
(Decrease)/increase in cash in the period	(183,410)	119,399
Net cash outflow from/(inflow) from bank loans	51,024	(574,094)
Cash outflow in respect of hire purchase	17,900	2,474
	(114,486)	(452,221)
Change in net debt	(114,486)	(452,221)
Net debt at 1 January 2006	(655,739)	(203,518)
Net debt at 31 December 2006	(770,225)	(655,739)

Analysis of changes in net debt

	At 1 Jan 2006 £	Cash flows £	At 31 Dec 2006 £
Net cash			
Cash in hand and at bank	204,181	(183,410)	20,771
Debt			
Debt due within 1 year	(69,113)	(1,401)	(70,514)
Debt due after 1 year	(676,459)	52,425	(624,034)
Hire purchase agreements	(114,348)	17,900	(96,448)
	(859,920)	68,924	(790,996)
Net debt	(655,739)	(114,486)	(770,225)

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

The company has adopted a policy of regular property revaluations in accordance with FRS15

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% straight line
Leasehold Property	-	over the period of the lease
Plant & Machinery	-	4% - 10% straight line
Fixtures & Fittings	-	10% - 25% straight line
Motor Vehicles	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

1. Accounting policies (continued)

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Operating profit

Operating profit is stated after charging/(crediting)

	2006 £	2005 £
Depreciation of owned fixed assets	152,748	123,502
Depreciation of assets held under hire purchase agreements	22,310	34,168
(Profit)/Loss on disposal of fixed assets	(1,613)	9,298
Auditor's remuneration		
- as auditor	8,000	7,000
Operating lease costs		
Plant and equipment	52,904	43,780
Other	162,368	159,916

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2006 No	2005 No
Number of production staff	41	42
Number of administrative staff	13	13
Number of management staff	2	2
	<u>56</u>	<u>57</u>

The aggregate payroll costs of the above were

	2006 £	2005 £
Wages and salaries	1,193,921	1,041,694
Social security costs	128,720	110,300
Other pension costs	23,028	22,214
	<u>1,345,669</u>	<u>1,174,208</u>

4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2006 £	2005 £
Emoluments receivable	165,098	54,851
Value of company pension contributions to money purchase schemes	17,239	16,055
	<u>182,337</u>	<u>70,906</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2006 No	2005 No
Money purchase schemes	<u>2</u>	<u>2</u>

5. Interest payable and similar charges

	2006 £	2005 £
Interest payable on bank borrowing	43,114	32,818
Finance charges	12,567	7,954
Other similar charges payable	5,531	-
	<u>61,212</u>	<u>40,772</u>

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	85,000	116,500
Over/under provision in prior year	<u>662</u>	<u>26,839</u>
Total current tax	85,662	143,339
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(500)</u>
Tax on profit on ordinary activities	<u>85,662</u>	<u>142,839</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006 £	2005 £
Profit on ordinary activities before taxation	<u>227,289</u>	<u>339,495</u>
Profit/(loss) on ordinary activities by rate of tax	68,187	101,849
Capital allowances in excess of depreciation	12,367	11,765
Permanent differences	7,711	11,793
Other differences	2,394	222
Under / (Over) provision in prior years	662	26,839
Small companies relief	<u>(5,659)</u>	<u>(9,129)</u>
Total current tax (note 6(a))	<u>85,662</u>	<u>143,339</u>

7. Dividends

Equity dividends

	2006 £	2005 £
Paid		
Equity dividends on ordinary shares	<u>-</u>	<u>100,000</u>

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

8. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost or valuation						
At 1 Jan 2006	1,185,035	17,691	197,591	769,018	160,326	2,329,661
Additions	2,096	–	4,550	62,232	52,590	121,468
Disposals	–	–	–	(34,928)	(8,719)	(43,647)
At 31 Dec 2006	<u>1,187,131</u>	<u>17,691</u>	<u>202,141</u>	<u>796,322</u>	<u>204,197</u>	<u>2,407,482</u>
Depreciation						
At 1 Jan 2006	19,000	3,538	83,015	306,749	104,695	516,997
Charge for the year	26,235	1,769	19,099	91,314	36,641	175,058
On disposals	–	–	–	(13,937)	(6,969)	(20,906)
At 31 Dec 2006	<u>45,235</u>	<u>5,307</u>	<u>102,114</u>	<u>384,126</u>	<u>134,367</u>	<u>671,149</u>
Net book value						
At 31 Dec 2006	<u>1,141,896</u>	<u>12,384</u>	<u>100,027</u>	<u>412,196</u>	<u>69,830</u>	<u>1,736,333</u>
At 31 Dec 2005	<u>1,166,035</u>	<u>14,153</u>	<u>114,576</u>	<u>462,269</u>	<u>55,631</u>	<u>1,812,664</u>

The company's freehold property was revalued on an open market basis by Sanderson Weatherall, Chartered Surveyors as at 31 December 2004 as being £950,000

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2006 £	2005 £
Historical cost	<u>669,277</u>	<u>669,277</u>
Depreciation:		
At 1 Jan 2006	204,966	191,580
Charge for year	13,386	13,386
At 31 Dec 2006	<u>218,352</u>	<u>204,966</u>
Net historical cost value:		
At 31 Dec 2006	<u>450,925</u>	<u>464,311</u>
At 1 Jan 2006	<u>464,311</u>	<u>477,697</u>

Hire purchase agreements

Included within the net book value of £1,736,333 is £116,077 (2005 - £152,813) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £22,310 (2005 - £34,168)

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

9. Stocks

	2006 £	2005 £
Stock	<u>916,454</u>	<u>698,296</u>

10. Debtors

	2006 £	2005 £
Trade debtors	816,647	1,027,323
Amounts owed by related undertakings	50,700	9,864
Other debtors	44,050	-
Directors' current account	35,483	-
Prepayments and accrued income	75,731	118,237
	<u>1,022,611</u>	<u>1,155,424</u>

During the year ended 31 December 2006 the company loaned monies to M Barker, a director, on an interest free basis. The balance at 31 December 2006 was £35,483 (2005 £Nil) and the maximum balance outstanding during the year was £35,483

11. Creditors: Amounts falling due within one year

	2006 £	2005 £
Bank loans and overdrafts	70,514	69,113
Trade creditors	1,088,030	1,123,585
Corporation tax	87,114	146,500
Other taxation	32,971	8,452
Hire purchase agreements	48,123	61,500
Other creditors	84,192	15,158
Factoring account	569,271	618,710
Directors' current accounts	13,433	35,397
Accruals and deferred income	103,245	277,553
	<u>2,096,893</u>	<u>2,355,968</u>

The company held two bank loans at 31 December 2006

The first bank loan is being repaid monthly in arrears over 5 years. Interest is being incurred on this loan at 1.5% above the Bank's Base Rate

The second bank loan is being repaid monthly in arrears over 12 years. Interest is being incurred on this loan at 1.5% above the Bank's Base Rate

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

11. Creditors: Amounts falling due within one year (continued)

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	70,514	69,113
Other creditors including taxation	569,271	618,710
Hire purchase contracts	48,123	61,500
	<u>687,908</u>	<u>749,323</u>

In order to provide security over the bank facilities enjoyed by the company there is a first legal mortgage dated 20 April 2001 over the freehold property at Denton Holme Sawmills, Carlisle

12. Creditors: Amounts falling due after more than one year

	2006 £	2005 £
Bank loans and overdrafts	624,034	676,459
Hire purchase agreements	48,325	52,848
	<u>672,359</u>	<u>729,307</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2006 £	2005 £
Bank loans and overdrafts	624,034	676,459
Hire purchase contracts	48,325	52,848
	<u>672,359</u>	<u>729,307</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2006 £	2005 £
Bank loans and overdrafts	332,474	342,375

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	2006 £	2005 £
Amounts payable within 1 year	48,123	61,500
Amounts payable between 2 to 5 years	48,325	52,848
	<u>96,448</u>	<u>114,348</u>

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

14. Deferred taxation

The movement in the deferred taxation provision during the year was

	2006 £	2005 £
Provision brought forward	65,500	66,000
Profit and loss account movement arising during the year	-	(500)
Provision carried forward	<u>65,500</u>	<u>65,500</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2006 £	2005 £
Excess of taxation allowances over depreciation on fixed assets	65,500	65,500
	<u>65,500</u>	<u>65,500</u>

15. Commitments under operating leases

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006		2005	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	-	10,015	-	843
Within 2 to 5 years	-	75,493	-	78,632
After more than 5 years	96,400	-	96,400	-
	<u>96,400</u>	<u>85,508</u>	<u>96,400</u>	<u>79,475</u>

16. Share capital

Authorised share capital:

	2006 £	2005 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Andersons (Denton Holme) Limited

Notes to the Abbreviated Accounts

Year ended 31 December 2006

17. Profit and loss account

	2006 £	2005 £
Balance brought forward	243,659	147,003
Profit for the financial year	141,627	196,656
Equity dividends paid	—	(100,000)
Balance carried forward	<u>385,286</u>	<u>243,659</u>

18. Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	141,627	196,656
Equity dividends paid	—	(100,000)
Net addition to shareholders' funds	<u>141,627</u>	<u>96,656</u>
Opening shareholders' funds	719,790	623,134
Closing shareholders' funds	<u>861,417</u>	<u>719,790</u>