

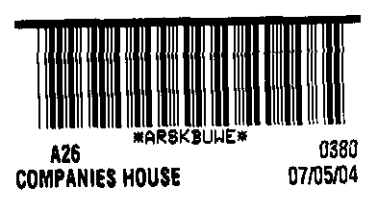
COMPANY REGISTRATION NUMBER 3233431

**ANDERSONS (DENTON HOLME) LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended**

**31 December 2003**



**HORWATH CLARK WHITEHILL (YORKSHIRE) LLP**

Chartered Accountants & Registered Auditors

Pelican House  
10 Curren Street  
Bradford  
BD1 5BA

# ANDERSONS (DENTON HOLME) LIMITED

## FINANCIAL STATEMENTS

Year ended 31 December 2003

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# ANDERSONS (DENTON HOLME) LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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**The board of directors**

M Barker  
V Woods

**Company secretary**

C Barker

**Registered office**

Denton Holme Sawmills  
Denton Street  
Carlisle  
Cumbria  
CA2 5EQ

**Auditors**

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 2003

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The directors present their report and the financial statements of the company for the year ended 31 December 2003.

### 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 9 shows a satisfactory position, shareholders' funds amounting to £264,236.

The directors are disappointed to report a loss for the year of £50,266 (2002 loss £96,178), although this is entirely attributable to a significant bad debt suffered during the course of the year. Management accounts prepared since the year end show the company to have traded profitably in the first quarter of 2004.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### The directors and their interests in 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:

|          | Ordinary Shares of £1 each |                      |
|----------|----------------------------|----------------------|
|          | At<br>31 December<br>2003  | At<br>1 January 2003 |
| M Barker | 50,000                     | 50,000               |
| V Woods  | —                          | —                    |

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# ANDERSONS (DENTON HOLME) LIMITED

## DIRECTORS' REPORT *(continued)*

Year ended 31 December 2003

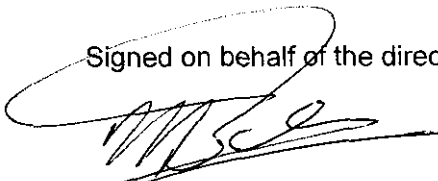
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### **Auditors**

On 16 June 2003, Horwath Clark Whitehill transferred its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, called Horwath Clark Whitehill (Yorkshire) LLP. The directors have used their statutory powers to treat the appointment of Horwath Clark Whitehill as extending to Horwath Clark Whitehill (Yorkshire) LLP.

Horwath Clark Whitehill (Yorkshire) LLP have agreed to offer themselves for re-appointment as auditors of the company in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



M Barker  
Director

30 April 2004

# ANDERSONS (DENTON HOLME) LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 31 December 2003

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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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

# ANDERSONS (DENTON HOLME) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

Year ended 31 December 2003

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We have audited the financial statements on pages 7 to 18 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 to 11.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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.

**ANDERSONS (DENTON HOLME) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS** *(continued)*

**Year ended 31 December 2003**

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**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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Horwath Clark Whitehill.*

Bradford

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

30 April 2004



# ANDERSONS (DENTON HOLME) LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 December 2003

---

|  | Note | 2003<br>£        | 2002<br>£        |
|--|------|------------------|------------------|
| Turnover   | 2    | 5,563,696        | 2,898,951        |
| Cost of sales                                      |      | 3,928,820        | 1,907,849        |
| <b>Gross profit</b>                                |      | <b>1,634,876</b> | <b>991,102</b>   |
| Administrative expenses                            |      | 1,654,584        | 1,093,843        |
| Other operating income                             |      | (507)            | —                |
| <b>Operating loss</b>                              | 3    | <b>(19,201)</b>  | <b>(102,741)</b> |
| Interest receivable                                |      | 122              | —                |
| Interest payable                                   | 6    | (31,977)         | (19,987)         |
| <b>Loss on ordinary activities before taxation</b> |      | <b>(51,056)</b>  | <b>(122,728)</b> |
| Tax on loss on ordinary activities                 | 7    | (790)            | (26,550)         |
| <b>Loss for the financial year</b>                 |      | <b>(50,266)</b>  | <b>(96,178)</b>  |

All of the activities of the company are classed as continuing.

The notes on pages 10 to 18 form part of these financial statements.

**ANDERSONS (DENTON HOLME) LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**Year ended 31 December 2003**

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|   | 2003<br>£      | 2002<br>£       |
|---|----------------|-----------------|
| Loss for the financial year<br>attributable to the shareholders   | (50,266)       | (96,178)        |
| Unrealised profit on revaluation of certain fixed assets          | <u>258,917</u> | <u>—</u>        |
| Total gains and losses recognised since the last annual<br>report | <u>208,651</u> | <u>(96,178)</u> |

The notes on pages 10 to 18 form part of these financial statements.

# ANDERSONS (DENTON HOLME) LIMITED

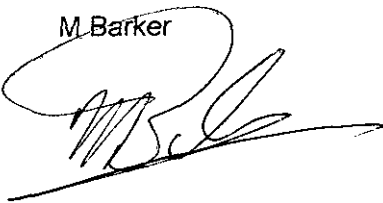
## BALANCE SHEET

31 December 2003

|  | Note | 2003             |                  | 2002             |                  |
|--|------|------------------|------------------|------------------|------------------|
|  |      | £                | £                | £                | £                |
| <b>Fixed assets</b>  |      |                  |                  |                  |                  |
| Tangible assets  | 8    |                  | 1,352,285        |                  | 1,148,845        |
| <b>Current assets</b>  |      |                  |                  |                  |                  |
| Stocks   | 9    | 529,880          |                  | 436,745          |                  |
| Debtors  | 10   | 884,408          |                  | 551,796          |                  |
| Cash at bank and in hand                                       |      | 200              |                  | 14,977           |                  |
|  |      | <u>1,414,488</u> |                  | <u>1,003,518</u> |                  |
| <b>Creditors: Amounts falling due within one year</b>          | 11   | <u>2,272,715</u> |                  | <u>1,780,132</u> |                  |
| <b>Net current liabilities</b>                                 |      |                  | <b>(858,227)</b> |                  | <b>(776,614)</b> |
| <b>Total assets less current liabilities</b>                   |      |                  | <u>494,058</u>   |                  | <u>372,231</u>   |
| <b>Creditors: Amounts falling due after more than one year</b> | 12   |                  | <u>229,822</u>   |                  | <u>316,646</u>   |
|  |      |                  | <u>264,236</u>   |                  | <u>55,585</u>    |
| <b>Capital and reserves</b>                                    |      |                  |                  |                  |                  |
| Called-up equity share capital                                 | 17   |                  | 50,000           |                  | 50,000           |
| Revaluation reserve  | 18   |                  | 258,917          |                  | —                |
| Profit and loss account  | 19   |                  | (44,681)         |                  | 5,585            |
| <b>Shareholders' funds</b>                                     | 20   |                  | <u>264,236</u>   |                  | <u>55,585</u>    |

These financial statements were approved by the directors on the 30 April 2004 and are signed on their behalf by:

M Barker



The notes on pages 10 to 18 form part of these financial statements.

# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

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### 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.

During the current year the directors decided to adopt 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        |
| Plant & Machinery   | - | 10% straight line       |
| Fixtures & Fittings | - | 10% - 25% straight line |
| Motor Vehicles      | - | 25% reducing balance    |

#### 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 FINANCIAL STATEMENTS

Year ended 31 December 2003

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### 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.

### 2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

|                | 2003<br>£        | 2002<br>£        |
|----------------|------------------|------------------|
| United Kingdom | <u>5,563,696</u> | <u>2,898,951</u> |

### 3. Operating loss

Operating loss is stated after charging:

|  | 2003<br>£     | 2002<br>£      |
|--|---------------|----------------|
| Depreciation of owned fixed assets                         | 78,581        | 38,828         |
| Depreciation of assets held under hire purchase agreements | 37,983        | 34,146         |
| Loss on disposal of fixed assets                           | 2,305         | -              |
| Auditors' remuneration<br>- as auditors                    | 8,000         | 4,350          |
| Operating lease costs:                                     |               |                |
| Land and buildings   | 90,034        | 28,467         |
| Plant and equipment  | 24,192        | 24,022         |
| Exceptional item - bad debt                                | <u>96,273</u> | <u>131,176</u> |

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# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

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### 4. Particulars of employees

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

|                                | 2003<br>No | 2002<br>No |
|--------------------------------|------------|------------|
| Number of production staff     | 35         | 22         |
| Number of administrative staff | 8          | 7          |
| Number of management staff     | 2          | 2          |
|                                | <u>45</u>  | <u>31</u>  |

The aggregate payroll costs of the above were:

|                       | 2003<br>£      | 2002<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 763,602        | 476,857        |
| Social security costs | 69,763         | 44,711         |
| Other pension costs   | 17,315         | 16,458         |
|                       | <u>850,680</u> | <u>538,026</u> |

### 5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

|  | 2003<br>£     | 2002<br>£     |
|--|---------------|---------------|
| Emoluments receivable  | 54,665        | 43,515        |
| Value of company pension contributions to money purchase schemes | 11,098        | 11,052        |
|  | <u>65,763</u> | <u>54,567</u> |

The number of directors who are accruing benefits under company pension schemes was as follows:

|                        | 2003<br>No | 2002<br>No |
|------------------------|------------|------------|
| Money purchase schemes | <u>2</u>   | <u>2</u>   |

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# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 6. Interest payable

|                                    | 2003<br>£     | 2002<br>£     |
|------------------------------------|---------------|---------------|
| Interest payable on bank borrowing | 17,063        | 13,579        |
| Finance charges                    | 11,639        | 6,408         |
| Other similar charges payable      | 3,275         | —             |
|                                    | <u>31,977</u> | <u>19,987</u> |

### 7. Tax on loss on ordinary activities

|                                    | 2003<br>£    | 2002<br>£       |
|------------------------------------|--------------|-----------------|
| Current tax:                       |              |                 |
| Corporation tax                    | —            | —               |
| Over/under provision in prior year | (790)        | (25,000)        |
| Total current tax                  | <u>(790)</u> | <u>(25,000)</u> |
| Deferred tax:                      |              |                 |
| Decrease in deferred tax provision | —            | (1,550)         |
| Tax on loss on ordinary activities | <u>(790)</u> | <u>(26,550)</u> |

There is no tax charge for the current year because of the availability of tax losses brought forward.

# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 8. Tangible fixed assets

|                            | Freehold<br>Property<br>£ | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£              |
|----------------------------|---------------------------|---------------------------|-----------------------------|------------------------|-------------------------|
| <b>Cost or valuation</b>   |                           |                           |                             |                        |                         |
| At 1 January 2003          | 669,277                   | 180,000                   | 491,644                     | 125,763                | 1,466,684               |
| Additions                  | –                         | –                         | 50,357                      | 22,500                 | 72,857                  |
| Disposals                  | –                         | (17,116)                  | –                           | (5,860)                | (22,976)                |
| Revaluation                | 80,723                    | –                         | –                           | –                      | 80,723                  |
| <b>At 31 December 2003</b> | <u><u>750,000</u></u>     | <u><u>162,884</u></u>     | <u><u>542,001</u></u>       | <u><u>142,403</u></u>  | <u><u>1,597,288</u></u> |
| <b>Depreciation</b>        |                           |                           |                             |                        |                         |
| At 1 January 2003          | 164,808                   | 35,770                    | 86,663                      | 30,598                 | 317,839                 |
| Charge for the year        | 13,386                    | 17,690                    | 58,109                      | 27,379                 | 116,564                 |
| On disposals               | –                         | (6,708)                   | –                           | (4,498)                | (11,206)                |
| Revaluation adjustment     | (178,194)                 | –                         | –                           | –                      | (178,194)               |
| <b>At 31 December 2003</b> | <u><u>–</u></u>           | <u><u>46,752</u></u>      | <u><u>144,772</u></u>       | <u><u>53,479</u></u>   | <u><u>245,003</u></u>   |
| <b>Net book value</b>      |                           |                           |                             |                        |                         |
| <b>At 31 December 2003</b> | <u><u>750,000</u></u>     | <u><u>116,132</u></u>     | <u><u>397,229</u></u>       | <u><u>88,924</u></u>   | <u><u>1,352,285</u></u> |
| At 31 December 2002        | <u><u>504,469</u></u>     | <u><u>144,230</u></u>     | <u><u>404,981</u></u>       | <u><u>95,165</u></u>   | <u><u>1,148,845</u></u> |

The company's freehold property was revalued on an open market basis by Sanderson Weatherall, Chartered Surveyors as at the year end date as being £750,000 and this value has been incorporated in the accounts.

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

|                                   | 2003<br>£             | 2002<br>£       |
|-----------------------------------|-----------------------|-----------------|
| <b>Historical cost</b>            | <u><u>669,277</u></u> | <u><u>–</u></u> |
| <b>Depreciation:</b>              |                       |                 |
| At 1 January 2003                 | <u><u>178,194</u></u> | <u><u>–</u></u> |
| At 31 December 2003               | <u><u>178,194</u></u> | <u><u>–</u></u> |
| <b>Net historical cost value:</b> |                       |                 |
| At 31 December 2003               | <u><u>491,083</u></u> | <u><u>–</u></u> |
| At 1 January 2003                 | <u><u>491,083</u></u> | <u><u>–</u></u> |

#### Hire purchase agreements

Included within the net book value of £1,352,285 is £185,338 (2002 - £223,593) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £37,983 (2002 - £34,146).



# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 9. Stocks

|       | 2003<br>£      | 2002<br>£      |
|-------|----------------|----------------|
| Stock | <u>529,880</u> | <u>436,745</u> |

### 10. Debtors

|                                      | 2003<br>£      | 2002<br>£      |
|--------------------------------------|----------------|----------------|
| Trade debtors                        | 807,383        | 454,298        |
| Other debtors                        | -              | 39,989         |
| Director's current account - V Woods | 14,950         | 21,800         |
| Prepayments and accrued income       | <u>62,075</u>  | <u>35,709</u>  |
|                                      | <u>884,408</u> | <u>551,796</u> |

At the year end there was an interest free loan due to the company by V Woods of £14,950 (2002: £21,800). The maximum balance outstanding during the year was £21,800.

### 11. Creditors: Amounts falling due within one year

|                                       | 2003<br>£        | 2002<br>£        |
|---------------------------------------|------------------|------------------|
| Bank loans and overdrafts             | 70,143           | 31,065           |
| Trade creditors                       | 989,263          | 881,260          |
| Amounts owed to related undertakings  | 136,499          | 184,513          |
| Taxation and social security          | 98,911           | 76,165           |
| Hire purchase agreements              | 59,039           | 73,315           |
| Factoring account                     | 287,364          | 223,753          |
| Other creditors                       | 96,227           | 16,417           |
| Director's current account - M Barker | 255,160          | 100,459          |
| Accruals and deferred income          | <u>280,109</u>   | <u>193,185</u>   |
|                                       | <u>2,272,715</u> | <u>1,780,132</u> |

# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 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:

|  | 2003<br>£      | 2002<br>£      |
|--|----------------|----------------|
| Bank loans and overdrafts                              | 37,685         | 31,065         |
| Other creditors including taxation and social security | 287,364        | 223,753        |
| Hire purchase contracts                                | 59,039         | 73,315         |
|  | <u>384,088</u> | <u>328,133</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

|                           | 2003<br>£      | 2002<br>£      |
|---------------------------|----------------|----------------|
| Bank loans and overdrafts | 170,880        | 214,408        |
| Hire purchase agreements  | 58,942         | 102,238        |
|                           | <u>229,822</u> | <u>316,646</u> |

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

|                           | 2003<br>£      | 2002<br>£      |
|---------------------------|----------------|----------------|
| Bank loans and overdrafts | 170,880        | 214,408        |
| Hire purchase contracts   | 58,942         | 102,238        |
|                           | <u>229,822</u> | <u>316,646</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:

|                           | 2003<br>£     | 2002<br>£     |
|---------------------------|---------------|---------------|
| Bank loans and overdrafts | <u>12,561</u> | <u>65,599</u> |

# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

|                                      | 2003<br>£      | 2002<br>£      |
|--------------------------------------|----------------|----------------|
| Amounts payable within 1 year        | 59,039         | 73,315         |
| Amounts payable between 2 to 5 years | 58,942         | 102,238        |
|                                      | <u>117,981</u> | <u>175,553</u> |

### 14. Deferred taxation

No provision has been made for a deferred tax asset based on unrelieved tax losses on the grounds of uncertainty of recovery.

### 15. Commitments under operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | 2003                     |                     | 2002                     |                     |
|--------------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                                | Land &<br>Buildings<br>£ | Other<br>Items<br>£ | Land &<br>Buildings<br>£ | Other<br>Items<br>£ |
| Operating leases which expire: |                          |                     |                          |                     |
| Within 1 year                  | –                        | 8,314               | –                        | 2,484               |
| Within 2 to 5 years            | –                        | 32,834              | –                        | 34,367              |
| After more than 5 years        | 85,400                   | –                   | 85,400                   | –                   |
|                                | <u>85,400</u>            | <u>41,148</u>       | <u>85,400</u>            | <u>36,851</u>       |

### 16. Related party transactions

The company is controlled by M Barker, a director, by virtue of his holding 100% of the issued share capital.

The company was related to Andersons Joinery Manufacturing Limited, which was also controlled by M Barker. During the year the company acquired services valued at £Nil (2002 £200,000) from Andersons Joinery Manufacturing Limited and made recharges of £20,742 (2002 £45,431) to Andersons Joinery Manufacturing Limited. All such transactions were on a normal commercial basis.

In September 2003 Andersons Joinery Manufacturing Limited went into liquidation. At that date an amount of £96,273 was due to the company from Andersons Joinery Manufacturing Limited (2002 Creditor £184,513), which has been provided in full.

The company is also related to Pacific Imports Limited which is also controlled by M Barker. During the year the company made recharges to Pacific Imports Limited of £6,218 (2002 £Nil) on a normal commercial basis. An outstanding balance of £136,499 was owed to Pacific Imports Limited at the year end (2002 £Nil).

# ANDERSONS (DENTON HOLME) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

### 17. Share capital

#### Authorised share capital:

|                                   | 2003<br>£     | 2002<br>£     |
|-----------------------------------|---------------|---------------|
| 50,000 Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |

#### Allotted, called up and fully paid:

|                            | 2003<br>No    | £             | 2002<br>No    | £             |
|----------------------------|---------------|---------------|---------------|---------------|
| Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> | <u>50,000</u> |

### 18. Revaluation reserve

|                             | 2003<br>£      | 2002<br>£ |
|-----------------------------|----------------|-----------|
| Revaluation of fixed assets | <u>258,917</u> | —         |
| Balance carried forward     | <u>258,917</u> | —         |

### 19. Profit and loss account

|   | 2003<br>£       | 2002<br>£       |
|---|-----------------|-----------------|
| Balance brought forward                 | 5,585           | 101,763         |
| Accumulated loss for the financial year | <u>(50,266)</u> | <u>(96,178)</u> |
| Balance carried forward                 | <u>(44,681)</u> | <u>5,585</u>    |

### 20. Reconciliation of movements in shareholders' funds

|                                       | 2003<br>£      | 2002<br>£      |
|---------------------------------------|----------------|----------------|
| Loss for the financial year           | (50,266)       | (96,178)       |
| Other net recognised gains and losses | <u>258,917</u> | —              |
| Net addition/(reduction) to funds     | 208,651        | (96,178)       |
| Opening shareholders' equity funds    | <u>55,585</u>  | <u>151,763</u> |
| Closing shareholders' equity funds    | <u>264,236</u> | <u>55,585</u>  |