

CHARLES CRAIG HOLDINGS LIMITED

FINANCIAL STATEMENTS

30 JUNE 2007

Registered Number: 1870653

WEDNESDAY



AZ2KQ1UG

A73

30/07/2008

228

COMPANIES HOUSE

CHARLES CRAIG HOLDINGS LIMITED**COMPANY INFORMATION****30 JUNE 2007**

Number	1870653
Directors	A C Craig (Chairman) Mrs A St C Craig C D Craig Mrs J McBurney
Secretary	C D Craig
Registered Office	Twin Oaks Cedar Way Gayton Wirral CH60 3RH
Bankers	Lloyds TSB Bank plc Pall Mall House Mercury Court Tithebarn Street Liverpool L2 2LE
Auditors	Baker Tilly UK Audit LLP Chartered Accountants Number One Old Hall Street Liverpool L3 9SX

CHARLES CRAIG HOLDINGS LIMITED

DIRECTORS' REPORT

30 June 2007

The directors present their report and the audited financial statements for the year ended 30 June 2007

Business review and principal activity

The principal activity of the company remained that of a holding company of a group of companies carrying on business as timber agents, and provision of management services

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend payment of a dividend

The balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £1,935,341

During the 2007 financial year the directors and shareholders of Charles Craig Holdings Limited continued the wind down of Liverpool Timber Agency Limited (formerly Alan Thomas Craig Limited) following the sale of its trade and assets. This is in order to focus on the growth of the US subsidiary, Craig Lumber Corporation, with the intention to reduce the holding company's cost structure and borrowings to allow for the reduced number of subsidiaries contributing to "head office" administration costs. During the 2007 financial year Charles Craig Holdings Limited incurred further losses due to one-off re-structuring costs however all the wind down costs have now been absorbed.

During the year Charles Craig Holdings Limited acquired the remaining 10% shareholding in Liverpool Timber Agency Limited and now Liverpool Timber Agency Limited is a 100% subsidiary undertaking. During the 2007 financial year Liverpool Timber Agency Limited incurred losses due to poor trading earlier in the year and an accumulation of one-off restructuring costs incurred. Since June 2006 LTA has relocated to a smaller location whilst being wound down.

Craig Lumber Corporation is a wholly owned subsidiary and had a reasonable trading year. After management charges and bonuses paid to staff the profit before tax was £298,855. Within the company itself there were no significant personnel or strategic changes during the year. The Officers report that the first eleven months trading of the 2008 financial year have been significantly tougher and during this same period some significant cost savings have been achieved with regard to personnel. Despite the trading challenges incurred the directors of Charles Craig Holdings Limited believe Craig Lumber Corporation will have an acceptable 2008 financial year.

Principal risks and uncertainties

Following the restructuring of the group, the principal risks and uncertainties faced by the group relate to Craig Lumber Corporation.

The tough market environment with which Craig Lumber Corporation operates continues to be a risk for the group. Craig Lumber Corporation's business is somewhat correlated to the condition of the US housing and commercial construction industry. The directors of Charles Craig Holdings Limited believe Craig Lumber Corporation's recent cost cutting exercises coupled with 'added value' investments will enable the company to weather the storm in good financial health.

CHARLES CRAIG HOLDINGS LIMITED**DIRECTORS' REPORT****30 June 2007 continued****Directors**

The directors of the company during the year were as follows

A C Craig
Mrs A St C Craig
C D Craig
Mrs J McBurney

At the Annual General Meeting, A C Craig and Mrs J McBurney retire as directors of the company and being eligible offer themselves for re-election

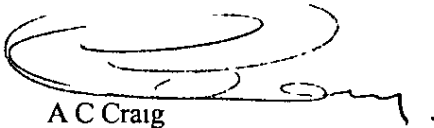
Auditors

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5) Baker Tilly UK Audit LLP has indicated its willingness to continue in office

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

By order of the board



A C Craig
Director

30 JULY 2008

CHARLES CRAIG HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and Accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts 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 at the end of the year and of the profit or loss of that company for that period. In preparing those accounts, the directors are required to

- select suitable accounting policies and 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.

CHARLES CRAIG HOLDINGS LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES CRAIG HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 19

This report is made solely to the company's members, 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 members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 30 June 2007 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Number One Old Hall Street

Liverpool

L3 9SX

30 July 2008

CHARLES CRAIG HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2007

	Note	2007 £	2006 £
Turnover		73,744	40,208
Net operating expenses		(102,288)	(310,481)
Operating loss	2	(28,544)	(270,273)
Exceptional items:			
Write off of investments	8	(38,890)	(396,556)
Write back of intercompany balances	8	-	471,546
Loss on ordinary activities before interest		(67,434)	(195,283)
Interest payable	4	(47,141)	(49,895)
Loss on ordinary activities before taxation		(114,575)	(245,178)
Tax on loss on ordinary activities	5	-	(1,182)
Loss sustained for the year after taxation	13	(114,575)	(246,360)

All of the Company's activities are classed as continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 30 June 2007

	2007 £	2006 £
Loss for the financial year	(114,575)	(246,360)
Unrealised surplus on revaluation of fixed asset investments	152,980	733,225
Unrealised deficit on revaluation of fixed asset investments	-	(444,806)
Total recognised gains and losses relating to the year	38,405	42,059

CHARLES CRAIG HOLDINGS LIMITED

BALANCE SHEET

at 30 June 2007

	Note	2007 £	2006 £
Fixed assets			
Intangible assets	6	-	-
Tangible assets	7	329	1,728
Investments	8	2,794,367	2,650,277
		<u>2,794,696</u>	<u>2,652,005</u>
Current assets			
Debtors	9	139,714	426,752
Cash at bank and in hand		25,036	10
		<u>164,750</u>	<u>426,762</u>
Creditors Amounts falling due within one year	10	(101,343)	(876,831)
Net current assets / (liabilities)		<u>63,407</u>	<u>(450,069)</u>
Total assets less current liabilities		<u>2,858,103</u>	<u>2,201,936</u>
Creditors Amounts falling due after more than one year	11	(922,762)	(305,000)
		<u>1,935,341</u>	<u>1,896,936</u>
Capital and reserves			
Called up share capital	12	1,020,000	1,020,000
Revaluation reserve	13	2,392,174	2,239,194
Profit and loss account	13	(1,476,833)	(1,362,258)
Total equity shareholders' funds	14	<u>1,935,341</u>	<u>1,896,936</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 30 June 2008 and signed on its behalf by



A C Craig
Director

CHARLES CRAIG HOLDINGS LIMITED

CASH FLOW STATEMENT

for the year ended 30 June 2007

	Note	2007 £	2006 £
Net cash inflow from operating activities	15(i)	269,625	69,844
Returns on investments and servicing of finance			
Interest paid		(47,141)	(49,895)
		(47,141)	(49,895)
Taxation			
UK corporation tax		52,469	-
		52,469	-
Capital expenditure			
Payments to acquire tangible fixed assets		(411)	-
Payments to acquire investments		(30,000)	-
Receipts from sale of tangible fixed assets		487	-
		(29,924)	-
		245,029	19,949
Financing			
Repayment of long term loans		(10,043)	(20,000)
New loans		640,000	-
		629,957	(20,000)
Increase/ (decrease) in cash	15(ii)	874,986	(51)

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules with the exception of investments which are valued, in accordance with the provisions of para 31(3) Schedule 4 of the Companies Act 1985, at the net assets of the subsidiary undertakings as disclosed in their financial statements at the year end. The true and fair override provisions of the Companies Act 1985 have been invoked.

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

The financial statements present information on Charles Craig Holdings Limited as an individual and do not reflect group position.

Investments

Fixed asset investments are valued, in accordance with the provisions of para 31(3) Schedule 4 of the Companies Act 1985, at the net assets of the subsidiary undertakings as disclosed in their financial statements at the year end. This value is adjusted to take account of the fair value of land and buildings. The method of valuation has been adopted as the directors believe this more accurately reflects the value of investments held.

True and fair override on group re-organisation

As part of a re-organisation of the group, the trade and net assets of one subsidiary undertaking, Charles Craig Limited, were transferred to another subsidiary undertaking, Alan Thomas Craig Limited, at their book value.

As a result of the transfer, the value of the company's investment in Charles Craig Limited fell below the amount at which it was stated in the company's accounting records. Schedule 4 to the Company Act 1985 requires that the investment be written down accordingly and that the amount be charged as a loss in the company's profit and loss account.

At the time, the directors considered that, as there had been no overall change in the investment the company had in its subsidiary undertakings, it would fail to give a true and fair view to charge the diminution to the company's profit and loss account and it therefore re-allocated the difference to goodwill with an expected useful life not exceeding 20 years.

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007

(continued)

1 Accounting policies (continued)

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over the expected useful lives as follows

Fixtures and fittings	25% straight line
Computer equipment	20% straight line

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

Turnover

Turnover represents the amounts derived from the provision of services during the year which fall within the company's ordinary activities, stated net of value added tax.

2 Operating loss

	2007 £	2006 £
Operating loss is stated after charging/ (crediting)		
Auditors' remuneration - audit fee	3,000	6,000
Depreciation - owned assets	1,581	1,581
Profit on sale of tangible fixed assets	(258)	-
Exchange differences	1,519	4,674
	<u>1,519</u>	<u>4,674</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007

(continued)

3 Directors and employees

	2007 £	2006 £
Staff costs including directors' emoluments		
Wages and salaries	29,367	166,804
Social security costs	973	17,392
	<u>30,340</u>	<u>184,196</u>
 Average number employed including executive directors	 Number	 Number
Administration	2	4
 Directors' emoluments	 £	 £
Other emoluments	28,867	177,884
	<u>28,867</u>	<u>177,884</u>

4 Interest payable

	2007 £	2006 £
Bank loans and overdrafts	47,141	49,895
	<u>47,141</u>	<u>49,895</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

5 Taxation

	2007 £	2006 £
Current tax:		
UK corporation tax for the year	-	1,182
Under provision in prior year	-	-
Total on loss on ordinary activities	-	1,182
Factors affecting tax charge for the year		
Loss on ordinary activities before tax	(114,575)	(245,178)
Loss on ordinary activities multiplied by standard rate of statutory tax in the UK of 30% (2006 30%)	(34,373)	(73,553)
Effects of		
Expenses not deductible for tax purposes	2,550	3,716
Difference between capital allowances and depreciation	(32)	(222)
UK current year losses carried forward	20,188	92,529
Write off of investments	11,667	118,967
Write back of intercompany balances	-	(141,437)
Tax payable under s419 TA 1988	-	1,182
Current tax charge for the year	-	1,182

6 Intangible fixed assets (arising on re-organisation of group)

	Goodwill £
Cost	
1 July 2006 and 30 June 2007	680,000
Amortisation	
At 1 July 2006	680,000
Provision for impairment	-
At 30 June 2007	680,000
Net book value	
30 June 2007	-
30 June 2006	-

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

7 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 July 2006	25,462	17,164	42,626
Additions	-	411	411
Disposals	-	(1,828)	(1,828)
At 30 June 2007	25,462	15,747	41,209
Depreciation			
At 1 July 2006	25,462	15,436	40,898
Charge for the year	-	1,581	1,581
Written off on disposal	-	(1,599)	(1,599)
At 30 June 2007	25,462	15,418	40,880
Net book value			
At 30 June 2007	-	329	329
At 30 June 2006	-	1,728	1,728

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

8 Investments

	Subsidiary undertakings £
Cost or valuation	
At 1 July 2006	2,650,277
Additions	30,000
Revaluation	152,980
Write off	(38,890)
	<hr/>
At 30 June 2007	<u>2,794,367</u>

Subsidiary undertakings

Name of Company	Country of registration (or incorporation) and operation	Holding	Proportion of shares held and voting rights	Nature of business
Bryatt Limited	England & Wales	Ordinary shares	100%	Dormant
Charles Craig Limited	England & Wales	Ordinary Shares	100%	Dormant
Craig Lumber Corporation	USA	Capital	100%	Timber importers and exporters
CLC Trucking LLC	USA	Capital	99%	Distribution
Liverpool Timber Agency Limited	England & Wales	Ordinary shares	100%	Timber Agent and Broker

All investments in subsidiary companies are held by the Company, with the exception of CLC Trucking LLC which is owned by Craig Lumber Corporation

The aggregate of Craig Lumber Corporation's share capital and reserves amounted to £1,844,415 and the retained profit for the year was £180,095

The aggregate of Liverpool Timber Agency Limited's (formerly Alan Thomas Craig Limited) share capital and reserves amounted to £74,114 and the retained loss for the year was (£18,602)

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

9 Debtors

	2007	2006
	£	£
Amounts falling due within one year		
Amounts owed by subsidiary undertaking	73,744	253,828
Other debtors	5,665	70,257
	<u>79,409</u>	<u>324,084</u>
Amounts falling due after more than one year		
Directors' loans	50,810	41,670
ACT recoverable	9,495	60,997
	<u>139,714</u>	<u>426,752</u>

10 Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank overdrafts and loans	12,195	849,960
Amounts owed to subsidiary undertakings	81,458	-
Corporation tax	2,149	1,182
Other taxation and social security costs	-	2,636
Other creditors	-	5,480
Directors' loans	-	5,573
Accruals and deferred income	5,541	12,000
	<u>101,343</u>	<u>876,831</u>

Bank overdrafts and loans shown in notes 10 and 11, totalling £239,957 (2006 £849,960) are secured by debentures over certain assets of the company and the group

11 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Bank loans	227,762	-
Other loans	695,000	305,000
	<u>922,762</u>	<u>305,000</u>

The bank loan is repayable by quarterly instalments until October 2016 at a variable interest rate of 2% above base rate

	£
Due within one year	12,195
Due between one and two years	15,160
Due between two and five years	67,317
Due in more than five years	145,285
	<u>239,957</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

12 Called up share capital

	2007		2006	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	1,020,000	1,020,000	1,020,000	1,020,000
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	1,020,000	1,020,000	1,020,000	1,020,000

13 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 July 2006	2,239,194	(1,362,258)
Loss for the year	-	(114,575)
Revaluation in the year	152,980	-
At 30 June 2007	2,392,174	(1,476,833)

14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	(114,575)	(246,360)
Revaluation of fixed asset investment	152,980	288,419
Total recognised gains and losses relating to the year	38,405	42,059
Opening shareholders' funds	1,896,936	1,854,877
Closing shareholders' funds	1,935,341	1,896,936

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007

(continued)

15(i) Reconciliation of operating loss to net cash inflow from operating activities

	2007 £	2006 £
Operating loss	(28,544)	(270,273)
Write back of inter-company balances	-	471,546
Depreciation of tangible fixed assets	1,581	1,581
Profit on sale of tangible fixed assets	(258)	
Decrease in stocks	-	2,500
Decrease in debtors	235,536	295,075
Increase/(decrease) in creditors	61,310	(430,585)
Net cash inflow from operating activities	<u>269,625</u>	<u>69,844</u>

15(ii) Reconciliation of net cash flow to movement in net debt

	2007		2006	
	£	£	£	£
Increase/ (decrease) in cash in the period	874,986		(51)	
Change in net debt arising from cash flows	<u>(629,957)</u>		<u>20,000</u>	
Movement in net debt in the period		245,029		19,949
Net debt at 1 July		<u>(1,154,950)</u>		<u>(1,174,899)</u>
Net debt at 30 June		<u>(909,921)</u>		<u>(1,154,950)</u>

15(iii) Analysis of changes in net debt

	At 1 July 2006 £	Cash flows £	Other changes £	At 30 June 2007 £
Cash at bank and in hand	10	25,026	-	25,036
Overdrafts	(849,960)	849,960	-	-
		<u>874,986</u>		
Debt due within one year	-	(12,195)	-	(12,195)
Debt due after one year	(305,000)	(617,762)	-	(922,762)
	<u>(1,154,950)</u>	<u>245,029</u>	<u>-</u>	<u>(909,921)</u>

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

16 Contingent liabilities

Lloyds TSB Bank plc holds unlimited cross-guarantees by Charles Craig Holdings Limited, Brytatt Limited, Liverpool Timber Agency Limited (formerly Alan Thomas Craig Limited) and Charles Craig Limited in respect of the banking facilities made available to these companies

17 Related Party Transactions

(a) Subsidiary undertakings

(i) Liverpool Timber Agency Limited

	2007 £	2006 £
During the year the following management charges were invoiced by Charles Craig Holdings Limited	-	13,472
At the year end the following amount was due (to)/from Liverpool Timber Agency Limited	(81,458)	227,089

(ii) Craig Lumber Corporation

	2007 £	2006 £
During the year the following management charges were invoiced by Charles Craig Holdings Limited	73,744	26,739
At the year end the following amount was due from Craig Lumber Corporation	73,744	26,739

(iii) Brytatt Limited

	2007 £	2006 £
During the year the following amounts due to Brytatt Limited were written back	-	182,816
At the year end the following amount was due from Brytatt Limited	-	-

(iv) Charles Craig Limited

	2007 £	2006 £
During the year the following amounts due to Charles Craig Limited were written back	-	288,730
At the year end the following amount was due from Charles Craig Limited	-	-

CHARLES CRAIG HOLDINGS LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2007
(continued)

(b) Directors' interests in transactions

Mr A C Craig has a loan from the company

	£
Balance at 30 June 2006	41,670
Highest amount outstanding during the year	50,267
Balance at 30 June 2007	47,026

Mr C D Craig has a loan from the company

	£
Balance at 30 June 2006	(5,573)
Highest amount outstanding during the year	19,398
Balance at 30 June 2007	3,784