

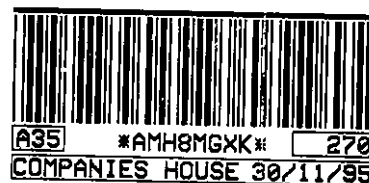
ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO, SC

Tilbury Wood Preservation Limited

Financial statements 31 December 1994
together with directors' and auditors' reports

Registered number: 2802758



Directors' report

For the year ended 31 December 1994

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 December 1994.

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, subject to any material departures disclosed and explained in the financial statements; 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. 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.

Principal activity and business review

The company started to trade in January 1994. The principal activity of the company is the treatment of timber. The company is jointly owned, in equal proportions, by Hickson Timber Products Limited, Hunter Timber Group Limited and Port of Tilbury (London) Limited.

Results and dividends

The results for the year are as follows:

	£
Accumulated deficit, brought forward	9,654
Loss for the financial year	4,988
Accumulated deficit, carried forward	<u>14,642</u>

The directors are unable to recommend the payment of a dividend.

Directors' report (continued)

Directors and their interests

The directors who served during the year are as follows:

E J Goodwin	
M G Jones	
J G Lancaster	(resigned 18 October 1994)
D J Moncaster	
P G Shaw	
J Tong	(resigned 20 April 1994)
G Anderson	(appointed 20 April 1994)
C A Jones	(appointed 18 October 1994)

No director had any interest in the shares of the company at any time during the year.

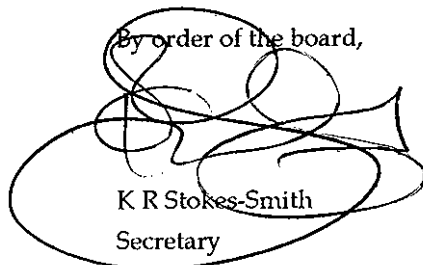
Fixed assets

Information relating to changes in tangible fixed assets is given in note 7 to the financial statements.

Auditors

The directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

19/21 Mortimer Street
London
W1N 7RJ

By order of the board,

K R Stokes-Smith
Secretary

12 April 1995

Auditors' report

Cambridge

To the Shareholders of Tilbury Wood Preservation Limited:

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

The company is exempt from the requirement of FRS 1 to include a cash flow statement as part of its financial statements because the company qualifies as a small company under section 247 of the Companies Act 1985.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Betjeman House
104 Hills Road
Cambridge
CB2 1LH

12 April 1995

Profit and loss account

For the year ended 31 December 1994

	Notes	1994 £	1993 (Note 15) £
Turnover	2	209,827	-
Cost of sales		(134,011)	-
Gross profit		75,816	-
Administrative expenses		(63,065)	(8,995)
Operating profit (loss)		12,751	(8,995)
Interest payable and similar charges	3	(17,739)	(659)
Loss on ordinary activities before taxation	4	(4,988)	(9,654)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		(4,988)	(9,654)
Accumulated deficit, brought forward		(9,654)	-
Accumulated deficit, carried forward		(14,642)	(9,654)

There are no recognised gains or losses, other than the loss for the year shown above, and therefore a statement of total recognised gains and losses has not been included in these financial statements.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

31 December 1994

	Notes	1994 £	1993 £
Fixed assets			
Tangible assets	7	<u>254,382</u>	<u>118,282</u>
Current assets			
Stocks	8	3,627	-
Debtors	9	83,269	21,912
Cash at bank and in hand		<u>100</u>	<u>-</u>
		<u>86,996</u>	<u>21,912</u>
Creditors: Amounts falling due within one year	10	<u>(205,720)</u>	<u>(10,772)</u>
Net current (liabilities) assets		<u>(118,724)</u>	<u>11,140</u>
Total assets less current liabilities		<u>135,658</u>	<u>129,422</u>
Creditors: Amounts falling due after more than one year	11	<u>(150,000)</u>	<u>(138,776)</u>
Net liabilities		<u>(14,342)</u>	<u>(9,354)</u>
Capital and reserves			
Called-up share capital	12	300	300
Profit and loss account		<u>(14,642)</u>	<u>(9,654)</u>
Deficiency of shareholders' funds		<u>(14,342)</u>	<u>(9,354)</u>

Signed on behalf of the Board

P G Shaw

P. G. Shaw

)

G Anderson

George Anderson

)

Directors

E J Goodwin

E. J. Goodwin

)

12 April 1995

The accompanying notes are an integral part of this balance sheet.

Notes to financial statements

31 December 1994

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding period, is set out below.

a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	-	10 years
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c) Stocks

Stocks are valued at the lower of cost, which is based on the purchase price of materials, and net realisable value.

Net realisable value is the price at which stock can be realised in the normal course of business after allowing for the costs of realisation. Provision is made for obsolete, slow-moving and defective stock.

d) Taxation

Corporation tax payable is provided, where appropriate, on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred taxation is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

e) Pensions

The company is a member of the Wickes Group Retirement Benefit Plan, which is a defined benefit scheme. Pension liabilities are provided for on a going concern basis by payments to independent trusts or insurance companies on the advice of external actuaries. Independent actuarial valuations are carried out on a going concern basis every three years. The amount charged to the profit and loss account is the estimated regular cost of providing the benefits accrued in the year adjusted to reflect variation from the cost. The regular cost is calculated so as to produce a substantially level percentage of the current and expected future pensionable payroll.

f) Cash flow statement

Under the provisions of Financial Reporting Standard No 1, the company has not prepared a cash flow statement because it is entitled to the exemptions available under Section 246 of the Companies Act 1985 for small companies when filing financial statements with the Registrar of Companies.

Notes to financial statements (continued)

2 Turnover

Turnover comprises the invoiced value of goods and services provided in the UK, net of value added tax and trade discounts.

3 Interest payable and similar charges

	1994	1993 (Note 15)
	£	£
On bank loans, overdrafts and other loans:		
- repayable within 5 years, by instalments	15,254	453
- repayable within 5 years, not by instalments	2,485	206
	<u>17,739</u>	<u>659</u>

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	1994	1993 (Note 15)
	£	£
Depreciation of owned assets	19,585	-
Auditors' remuneration	-	1,500
Staff costs (see note 5)	<u>46,045</u>	<u>2,501</u>

The audit fee in the current year has been borne by one of the shareholding companies.

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year and their respective historical cost equivalents.

5 Staff costs

Particulars of employees (including executive directors) are shown below.

Employee costs during the year amounted to:

	1994	1993 (Note 15)
	£	£
Wages and salaries	40,579	2,265
Social security costs	3,162	236
Other pension costs	2,304	-
	<u>46,045</u>	<u>2,501</u>

Notes to financial statements (continued)

5 Staff costs (continued)

The directors received no remuneration for services to the company during the year (1993 - £nil).

The average weekly number of persons (including directors) employed by the company during the year was eight (1993 - seven).

6 Tax on loss on ordinary activities

No provision for corporation taxation has been made due to the availability of current year trading losses. These losses are sufficient to offset any liability to deferred taxation.

7 Tangible fixed assets

	Plant and Machinery £
Cost	
1 January 1994	118,282
Additions	155,685
31 December 1994	<u>273,967</u>
Depreciation	
1 January 1994	-
Charge for the year	(19,585)
31 December 1994	<u>(19,585)</u>
Net book value	
31 December 1993	<u>118,282</u>
31 December 1994	<u>254,382</u>

8 Stocks

	1994 £	1993 £
Raw materials	<u>3,627</u>	<u>-</u>

Notes to financial statements (continued)

9 Debtors

Amounts falling due within one year:

	1994 £	1993 £
Trade debtors	71,361	-
VAT	-	20,942
Prepayments	11,908	970
	<u>83,269</u>	<u>21,912</u>

10 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	1994 £	1993 £
Bank loans and overdrafts (secured)	152,759	8,581
Trade creditors	24,202	-
VAT	6,448	-
Accruals	22,311	2,191
	<u>205,720</u>	<u>10,772</u>

The bank overdraft and loan are secured by a several guarantee up to a maximum of £100,000 and £250,000 respectively, in equal proportions, by the parent undertakings of the three shareholding companies.

11 Creditors: Amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	1994 £	1993 £
Bank loan (secured - see note 10)	<u>150,000</u>	<u>138,776</u>

12 Called-up share capital

	1994 £	1993 £
<i>Authorised, allotted, called-up and fully-paid:</i>		
300 ordinary shares of £1 each	<u>300</u>	<u>300</u>

Notes to financial statements (continued)

13 Reconciliation of movements in shareholders' funds

	1994	1993
	£	(Note 15) £
Loss for the financial year	(4,988)	(9,654)
New share capital subscribed	-	300
Net addition to shareholders' funds	(4,988)	(9,354)
Opening shareholders' funds	(9,354)	-
Closing shareholders' funds	(14,342)	(9,354)

14 Guarantees and other financial commitments

a) Capital commitments

At the end of the year, capital commitments were:

	1994	1993
	£	£
Contracted for but not provided for	-	154,844

b) Pension arrangements

The company's employees are eligible to join the Wickes Group Retirement Benefit Plan, a defined benefit pension scheme. The funds of the scheme are administered independently of the Group. Details of the actuarial valuation and the significant assumptions for the pension cost charge are provided in the financial statements of Wickes plc.

The total pension cost charge for the year was £2,304 (1993 - £nil).

15 Prior period comparatives

The company was incorporated on 24 March 1993 and makes up its financial statements to 31 December annually. Accordingly, the current year financial statements are presented for the year ended 31 December 1994 and the comparative financial statements are for the period from 24 March 1993 to 31 December 1993.

16 Continuing financial support

The company is technically insolvent. The shareholding companies have jointly undertaken to provide adequate financial support for the foreseeable future and at least for the next twelve months.