

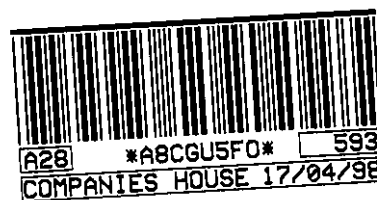
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STRAUSS & CO.
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NAMES AND RETURN

STONEBRIDGE JOINERY WORKS LIMITED

ACCOUNTS

30 NOVEMBER 1997



STRAUSS & CO.
ACCOUNTANTS and
REGISTERED AUDITORS
LONDON AND STANMORE

STONEBRIDGE JOINERY WORKS LIMITED

COMPANY INFORMATION

Directors

L R Green

J L Green

A A Green

P J Green

Secretary

L R Green

Company Number
Wales)

00706420 (England and

Registered Office

200 Acton Lane
LONDON NW10 7NH

Auditors

STRAUSS & CO.
Accountants and
Registered Auditors
14 Valencia Road
STANMORE Middlesex
HA7 4JH

STONEBRIDGE JOINERY WORKS LIMITED

REPORT OF THE DIRECTORS

30 NOVEMBER 1997

The Directors submit their report and Accounts for the year ended 30 November 1997.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of timber merchants, joinery contractors and allied furniture products.

RESULTS AND DIVIDENDS

Details of the results for the year are shown in the profit and loss account and the notes relating to it. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Business was satisfactory and the directors anticipate a further improvement in profits in the future. The company acquired an additional factory site and has built a new production unit. The company has also installed new heating and filtration systems to comply with the latest clean air and emission controls.

DIRECTORS

The Directors who have served during the year, together with their interests in the ordinary shares of the Company as at the beginning and end of the year, are as follows :

30.11.97 1.12.96

L.R. Green	510	510
J.L. Green	164	164
A.A. Green	163	163
P.J. Green	163	163

FIXED ASSETS

Movements to fixed assets are set out in note 7.

EVENTS SINCE THE END OF THE YEAR

Since the end of the year there have been no events which could materially affect the state of affairs of the Company as shown by the Accounts at that date, the results for the year then ended or any of the figures in the Accounts or Notes thereto.

STONEBRIDGE JOINERY WORKS LIMITED

REPORT OF THE DIRECTORS

30 NOVEMBER 1997

EXPORTS

During the year ended 30 November 1997, the Company exported goods to the value of £21,233 (1996 - £6,676).

AUDITORS

The re-appointment, in accordance with section 385 of the Companies Act 1985, of Messrs. Strauss & Co. as auditors will be proposed at the Annual General Meeting.

This report, which has been prepared taking advantage of special exemptions applicable to medium companies, was approved by the board on 30 March 1998 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'L.R. Green', is written above the printed name and title.

L.R. GREEN
SECRETARY

STONEBRIDGE JOINERY WORKS LIMITEDDIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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.

REPORT OF THE AUDITORS TO THE MEMBERS OF STONEBRIDGE JOINERY
WORKS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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. However, the evidence available to us was limited because there have been no revaluations on the company's properties, and we have found no satisfactory means of ascertaining the current market values thereof. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the value of the company's properties, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 1997 and of the profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to medium companies.

STRAUSS & CO.

ACCOUNTANTS and
REGISTERED AUDITORS
LONDON AND STANMORE

30th March 1998



STONEBRIDGE JOINERY WORKS LIMITEDPROFIT AND LOSS ACCOUNTYEAR ENDED 30 NOVEMBER 1997

	Note	1997	1996
Turnover	2	3,717,577	3,168,292
Cost of Sales		2,140,739	1,780,601
		-----	-----
Gross Profit		1,576,838	1,387,691
Administrative expenses		1,402,977	1,186,209
		-----	-----
		173,861	201,482
Bank Interest receivable		471	3,527
		-----	-----
		174,332	205,009
Interest payable	3	98,435	52,358
		-----	-----
Profit on ordinary activities before tax	4	75,897	152,651
Tax on profit on ordinary activities	6	9,455	31,648
		-----	-----
Profit on ordinary activities after tax transferred to reserves	13	£ 66,442	£ 121,003
		=====	=====

All amounts above are derived from continuing operations, and the company has no recognised gains or losses other than the profit for the financial years detailed above.

STONEBRIDGE JOINERY WORKS LIMITED

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BALANCE SHEET30 NOVEMBER 1997

FIXED ASSETS	Note	1997	1996
		£	£
Tangible assets	7	2,022,413	2,062,962
CURRENT ASSETS			
Stock	1/11	350,383	256,264
Debtors	8	776,545	698,027
Cash at bank and in hand		300	83,571
		-----	-----
		1,127,228	1,037,862
CREDITORS			
Amounts falling due within one year	9	1,003,309	940,625
		-----	-----
Net Current Assets		123,919	97,237
		-----	-----
Total assets less current liabilities		2,146,332	2,160,199
CREDITORS			
Amounts falling due after more than one year	10	(1,116,536)	(1,196,845)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Tax	1	-	-
		-----	-----
		£1,029,796	£ 963,354
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	1,028,796	962,354
		-----	-----
		£1,029,796	£ 963,354
		=====	=====

The directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to medium companies on the ground that the company qualifies as a medium company by virtue of part 7 of the Companies Act 1985. The financial statements were approved by the board on 30th March 1998 and signed on its behalf.

DIRECTORS: L.R. GREEN

J.L. GREEN

The Notes on pages 6 to 11 form part of these financial statements.

NOTES IN THE ACCOUNTS

30 NOVEMBER 1997

1 ACCOUNTING POLICIES

Basis of Accounting

The Accounts are prepared under the historical cost convention.

The company is regarded as a medium company as defined by S.247 of the Companies Act 1985 and has, therefore, taken the exemption not to present a cash flow statement in accordance with FRS1.

Stocks

Stock is stated by the directors at the lower of cost and net realisable value.

Work in process

Work in progress and manufactured stock is stated at direct cost of labour and materials with the addition of an appropriate proportion of factory overheads, or at the net realisable value if lower.

Depreciation

Fixed assets are depreciated over their estimated useful lives on their written down value at 25% per annum. In view of the nature and anticipated life span of the new specialised boiler, sprinkler system and combined extraction plant, these items have been depreciated at 7% per annum.

Depreciation has been provided on the original freehold property at 2% on cost. In the opinion of the directors, the value is considerably in excess of that stated in the accounts. The last valuation in July 1992 valued the property at £575,000 for the purposes of obtaining a mortgage. Depreciation of 2% on cost has been provided on the total cost to date of the new factory.

Deferred Taxation

Deferred tax in respect of accelerated capital allowances and other timing differences is provided under the liability method except where such timing differences are expected, with reasonable probability, to continue in the foreseeable future.

Turnover

Turnover represents the total amount receivable in the ordinary course of business for goods sold, after deducting discounts given and credit notes issued.

Pensions

The Company operates a scheme based on final pensionable salary. The costs of the scheme, based on final pensionable salary, are charged to the profit and loss account so as to spread the regular cost over the average service lives of employees. Contributions to the defined contribution scheme are charged to the profit and loss account in respect of the year to which they relate.

STONEBRIDGE JOINERY WORKS LIMITEDNOTES ON THE ACCOUNTS30 NOVEMBER 1997

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

Turnover and profit on ordinary activities before tax is attributable to the principal activities in the United Kingdom.

3	INTEREST PAYABLE	1997	1996
		£	£
	On loans, mortgages and overdrafts	98,435	52,358
		=====	=====

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	is stated after charging	1997	1996
		£	£
	Depreciation	289,919	290,297
	Auditors' remuneration	11,000	12,000
		=====	=====
	Directors' Emoluments	216,396	199,500
	Pension Costs	16,050	26,050
		=====	=====

5	STAFF COSTS	1997	1996
		£	£
	Wages and salaries	1,160,205	967,296
	Social security costs	127,965	111,062
		-----	-----
		1,288,170	1,078,358
		=====	=====

	The average weekly number of employees during the year was	86	85
		==	==

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

		1997	1996
		£	£
	Corporation tax on the results for the year @ 24%/21%	9,455	31,648
	Deferred tax	-	-
		-----	-----
		9,455	31,648
		=====	=====

STONEBRIDGE JOINERY WORKS LIMITEDNOTES ON THE ACCOUNTS30 NOVEMBER 1997

7 TANGIBLE FIXED ASSETS

	Freehold property	Motor vehicles	Fixtures and Fittings	Plant	Total
	£	£	£	£	£
Cost					
At 1 December 1996	996,604	189,489	201,523	2,454,557	3,842,173
Additions	20,020	-	44,273	190,339	254,632
Disposal	-	(16,931)	-	-	(16,931)
	-----	-----	-----	-----	-----
At 30 November 1997	1,016,624	172,558	245,796	2,644,896	4,079,874
	-----	-----	-----	-----	-----
Depreciation					
At 1 December 1996	16,717	112,622	111,850	1,538,022	1,779,211
Released on disposal	-	(11,669)	-	-	(11,669)
Charge for the year	20,332	17,902	33,487	218,198	289,919
	-----	-----	-----	-----	-----
At 30 November 1997	37,049	118,855	145,337	1,756,220	2,057,461
	-----	-----	-----	-----	-----
Net book value					
At 30 November 1997	979,575	53,703	100,459	888,676	2,022,413
	=====	=====	=====	=====	=====
At 30 November 1996	979,887	76,867	89,673	916,535	2,062,962
	=====	=====	=====	=====	=====

Assets acquired under hire purchase and lease arrangements

Assets acquired under hire purchase agreements are stated in the balance sheet at their original cost less aggregate depreciation. The obligation to pay outstanding instalments is included in creditors.

8 DEBTORS

	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	556,155	492,606
Related company	201,655	185,925
Prepayments	18,735	14,959
VAT	-	4,537
	-----	-----
	776,545	698,027
	=====	=====

STONEBRIDGE JOINERY WORKS LIMITEDNOTES ON THE ACCOUNTS30 NOVEMBER 1997

9 CREDITORS

	1997	1996
Amounts falling due within one year	£	£
Instalments on bank loan and hire purchase	255,613	233,507
Trade creditors	368,827	396,764
Corporation tax	9,545	31,648
Other taxes and social security costs	146,471	67,231
Other creditors	-	-
Accruals	29,239	85,822
Bank overdraft	193,614	124,653
	-----	-----
	1,003,309	940,625
	=====	=====

10 CREDITORS

Amounts falling due after more than one year	1997	1996
	£	£
Amounts repayable within five years	290,218	338,579
after five years	826,318	858,266
	-----	-----
	(1,116,536)	(1,196,845)
	=====	=====

The commercial mortgages are secured by a legal charge over the freehold properties and by a debenture over the company's assets.

11 STOCKS

	1997	1996
	£	£
Raw Materials	266,976	194,729
Work in progress	34,199	24,606
Finished goods	49,208	36,929
	-----	-----
	350,383	256,264
	=====	=====

12 CALLED UP SHARE CAPITAL

	1997	1996
Authorised	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
Called up and fully paid	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====

STONEBRIDGE JOINERY WORKS LIMITEDNOTES ON THE ACCOUNTS30 NOVEMBER 1997

13 RESERVES

	1997	1996
	£	£
Profit and loss account		
At 1 December 1996	962,354	841,351
Retained Profit for year	66,442	121,003
	-----	-----
At 30 November 1997	1,028,796	962,354
	=====	=====

14 CAPITAL COMMITMENTS

Expenditure contracted for but not provided in the accounts	- =====	- =====
--	------------	------------

15 CONTINGENT LIABILITIES

The company acts as guarantor for Artesium Properties Limited in respect of an obligation amounting to £450,000 which is covered by the value of its freehold property.

16 CLOSE COMPANY

The close company provisions of the Taxes Act 1970 apply to the Company.