

Co. No. 575515

**ALNWICK FARMERS LIVESTOCK**  

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**AUCTION COMPANY LIMITED**  

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**TRADING AS NORTH EAST LIVESTOCK SALES**  

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**ACCOUNTS FOR THE YEAR ENDED**  

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**31st JULY 1996**  

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**GREAVES WEST & AYRE**  

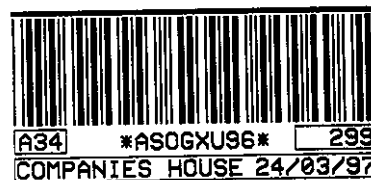
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**CHARTERED ACCOUNTANTS**  

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**BERWICK UPON TWEED**  

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**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**Company Number :**  
575515

**Directors :**  
C.G. Manners (Chairman)  
D.S. Frater (Vice-Chairman)  
H. Tulip  
I.C. Manners  
W.A. Curry  
H. Annett

**Secretary :**  
Miss K. Hill

**General Manager :**  
G.W. Potts

**Bankers :**  
Lloyds Bank P.L.C.  
Alnwick  
Northumberland

**Auditors :**  
Greaves West and Ayre  
Chartered Accountants and  
Registered Auditors  
Berwick upon Tweed  
Northumberland

**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**DIRECTORS REPORT FOR THE YEAR ENDED 31st JULY 1996**

**Directors**

C.G. Manners (Chairman)  
D.S. Frater (Vice-Chairman)  
H. Tulip  
I.C. Manners  
W.A. Curry  
H. Annett (Appointed 19.1.96)  
J.A. Ord (Resigned 31.7.96)

The directors submit their report and accounts for the year to  
31st July 1996

**Responsibility for the Preparation**

**of 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 as at the end of the year and of its profit or loss for the financial year. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, 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 Activities and Business Review**

The company's principal activity continues to be that of livestock auctioneers, valuers and estate agents.

The company was trading at a satisfactory level of profit until the B.S.E. scare in early 1996. Since then the number of cattle being sold through the mart has dropped substantially which has had a detrimental effect on profitability. The company has however, been officially recognised as a mart for the sale of thirty month old cattle and this has improved the company's financial performance.

**ALNWICK FARMERS LIVESTOCK**  
**AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**DIRECTORS REPORT CONTINUED**

	<u>1995</u>	<u>1996</u>
<b>Results and Dividends</b>		
Profit for the financial year	28895	15562
Transfer to bad debt reserve	-	(16816)
Dividend	(4500)	-
Retained profit/(absorbed loss)	<u>24395</u>	<u>(1254)</u>

**Fixed Assets**

Changes in the company's fixed assets are shown in note 2 to the accounts.

The directors consider the market value of the company's property to be not less than the book value shown in the accounts.

**Directors Interests**

a) The Shares of the Company	31.7.95	31.7.96
C.G. Manners (Chairman)	250	250
D.S. Frater (Vice-Chairman)	350	350
H. Tulip	350	350
I.C. Manners	500	500
W.A. Curry	300	300
H. Annett	120	120
b) Other Interests		

The amounts of commission earned by the directors on sales by the directors via their independent farming operations requiring disclosure under Schedule 6 of the Companies Act 1985 are given below :-

C.G. Manners	5288
D.S. Frater	4990
H. Tulip	5029
I.C. Manners	626
W.A. Curry	1352
H. Annett	5419
J.A. Ord	4974

**c) Directors Due to Retire**

I.C. Manners and W.A. Curry being due to retire by rotation both offer themselves for re-election.

ALNWICK FARMERS LIVESTOCK  
AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES  
DIRECTORS REPORT CONTINUED

Auditors

A resolution to re-appoint Messrs Greaves West and Ayre as auditors will be proposed at the Annual General Meeting.

By Order of the Board

.....  
Miss K. Hill

DATE 24.10.1966....

Secretary

AUDITORS REPORT TO THE MEMBERS OF  
ALNWICK FARMERS LIVESTOCK AUCTION COMPANY LIMITED  
TRADING AS NORTH EAST LIVESTOCK SALES

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

Respective Responsibilities of Directors and Auditors

As described on page 2 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. 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 of the state of the company's affairs as at 31st July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Greaves West & Ayre*

GREAVES WEST & AYRE  
CHARTERED ACCOUNTANTS AND  
REGISTERED AUDITORS  
BERWICK UPON TWEED

DATE... 24<sup>th</sup> October 1996 .....

**ALNWICK FARMERS LIVESTOCK**  
**AUCTION COMPANY LIMITED**  
**TRADING AS NORTH EAST LIVESTOCK SALES**  
**BALANCE SHEET AS AT 31st JULY 1996**

<u>1995</u>		<u>Notes</u>	
	<b>FIXED ASSETS</b>		
430,948	Tangible Assets	2	443,757
101	Investments	3	101
<u>431,049</u>			<u>443,858</u>
	<b>CURRENT ASSETS</b>		
5,458	Trading stock	4	12,967
720,447	Debtors	5	497,263
-	Cash at bank : Current account		78,527
1,709	Cash at bank and in hand		1,876
<u>727,614</u>			<u>590,633</u>
	<b>CREDITORS</b>		
558,121	Amounts due within one year	6a	412,298
<u>169,493</u>	<b>NET CURRENT ASSETS</b>		<u>178,335</u>
<u>600,542</u>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>622,193</u>
	Creditors falling due after one year	6b	5,300
2,177	Provision for liabilities and charges	7	10,420
<u>7,455</u>			<u>10,420</u>
<u>590,910</u>			<u>606,473</u>





**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st JULY 1996**

<u>1995</u>		<u>Notes</u>	
456,788	Turnover	10	422,069
(399,798)	Administration Expenses		(408,776)
<u>56,990</u>			<u>13,293</u>
-	Bad Debt Levy		6,816
3,419	Other Operating Income	11	<u>17,169</u>
<u>3,419</u>			<u>23,985</u>
60,409	Operating Profit	13	37,278
1,879	Interest Receivable	14	270
(19,525)	Interest Payable	15	<u>(13,495)</u>
	<u>Profit From Ordinary</u>		
42,763	Operations Before Taxation		24,053
13,868	Taxation	16	<u>8,491</u>
<u>28,895</u>	Profit for the Financial Year		<u>15,562</u>
-	Transfer to Bad Debt Reserve	18	(16,816)
(4,500)	Proposed dividend (1995)		<u>-</u>
<u>24,395</u>	Absorbed Loss for the Year		<u>(1,254)</u>
282,175	Retained profits brought forward		306,571
<u>306,570</u>	Retained profits carried forward		<u><u>305,317</u></u>

There were no further gains or losses during the period other than those shown above.

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st JULY 1996

1995

Net Cash Inflow from Operating

76046	<u>Activities</u>	280860
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Returns on Investments and Servicing of Finance

1879	Interest receivable	270	
(19525)	Interest payable	(13495)	
(4500)	Dividend paid	(4500)	
(22146)			(17725)

Taxation

(10673)	Corporation tax paid		(17420)
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Investing Activities

(11580)	Purchase of fixed assets	(47415)	
-	Sale of fixed assets	14815	
(11580)			(32600)

31647	<u>Increase in Cash</u>		<u>213115</u>
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**ALNWICK FARMERS LIVESTOCK**  
**AUCTION COMPANY LIMITED**  
**NOTES TO THE CASH FLOW STATEMENT**

	<u>1995</u>	<u>1996</u>
<b>1. Reconciliation of Operating Profit to Net Cash</b>		
<b><u>Inflow from Operating Activities</u></b>		
Operating profit	60409	37278
Profit on sale of fixed assets	-	(7227)
Depreciation	23703	27018
(Increase)/decrease in stocks	25132	(7509)
(Increase)/decrease in debtors	(34296)	223184
Increase in creditors	1098	8116
	<u>76046</u>	<u>280860</u>
<b>2. Analysis of Charges in Cash during the Year</b>		
Opening balances	(523473)	(491826)
Net cash inflow/outflow	31647	213115
Closing balances	<u>(491826)</u>	<u>(278711)</u>

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS FOR THE

YEAR ENDED 31st JULY 1996

1. Accounting Policies

a) Depreciation

Depreciation is charged so as to write off the cost of fixed assets over their estimated useful lives. The following rates are used :-

Freehold Buildings		Straight line over 30 years
Mart Equipment	20% - 33% p.a.	on reducing balance
Office and Canteen Equipment	10% p.a.	on reducing balance
Computer Equipment and Licences	25% p.a.	on reducing balance

b) Turnover

Turnover consists of commissions and fees earned together with net trading surplus, all exclusive of value added tax.

c) Leased Assets

The company leases certain motor vehicles on operating leases and the payments on these leases are charged to the profit and loss account over the period of the agreements.

d) Operating Licences

Software operating licences are capitalised and depreciated over their estimated useful life.

e) Deferred Taxation

The company's policy is to provide for deferred taxation in full at a rate of 24% on all timing differences due to accelerated taxation allowances.

ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets

	Freehold Property	Plant and Machinery	Office, Computer and Canteen Equipment	Total
<b>Cost</b>				
Brought Forward	425000	107546	40161	572707
Additions	-	45315	2100	47415
Disposals	-	(21623)	-	(21623)
	425000	131238	42261	598499
<b>Depreciation</b>				
Brought Forward	43332	76541	21886	141759
Charge this Year	10833	12963	3222	27018
On disposals	-	(14035)	-	(14035)
	54165	75469	25108	154742
<b>Net Book Value 1996</b>	370835	55769	17153	443757
<b>Net Book Value 1995</b>	381668	31005	18275	430948

Property revaluation

The Company's freehold land and property were valued by Messrs J.M. Clark and Partners, Chartered Surveyors, on an existing use basis at £425,000 on 1st July 1991. Included within this total is land valued at £100,000 which is not depreciated.

Assets held under hire purchase agreements

Included within Plant and Machinery are assets costing £36645 which were purchased by way of hire purchase agreements. These assets have a net book value of £31,110 at the balance sheet date, with depreciation of £4625 charged in the year.

**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**NOTES FORMING PART OF THE ACCOUNTS CONTINUED**

	<u>1995</u>	<u>1996</u>
<b>3. Trade Investments</b>		
100 Ordinary shares in Cheviot Farmers Trading Company Limited	100	100
Lean Management Company Limited	1	1
	<u>101</u>	<u>101</u>
<b>4. Stock</b>		
Trading stock	<u>5458</u>	<u>12967</u>
<b>5. Debtors</b>		
Trade debtors	711702	487198
Prepayments	8745	10065
	<u>720447</u>	<u>497263</u>
<b>6. Creditors</b>		
a) Due Within One Year		
Bank overdraft	65665	-
Unpresented cheques	427870	359114
Trade creditors	5229	5685
Corporation tax	14305	4661
Advance corporation tax	2250	-
Other taxes and social security	15914	13769
Accruals	10510	13453
Other creditors	2113	639
Proposed dividend	4500	-
Provision for directors fees	6500	7500
Hire purchase creditor	3265	7477
	<u>558121</u>	<u>412298</u>
 The bank overdraft is secured by a charge over the company's property.		
b) Due After More Than One Year		
Hire purchase creditors	<u>2177</u>	<u>5300</u>

**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**NOTES FORMING PART OF THE ACCOUNTS CONTINUED**

	<u>1995</u>	<u>1996</u>
<b>7. Provisions for Charges and Liabilities</b>		
<u>Deferred Taxation</u>		
Brought forward	10142	9705
Transfer for current year	(437)	715
	<u>9705</u>	<u>10420</u>
Less : Recoverable advance corporation tax	(2250)	-
	<u>7455</u>	<u>10420</u>
<b>8. Share Capital</b>		
<u>Authorised</u>		
Ordinary £1 shares	<u>30000</u>	<u>30000</u>
<u>Issued, Allotted and Fully Paid</u>		
Ordinary £1 shares	<u>30000</u>	<u>30000</u>
<b>9. Statement of Movements on Reserves</b>		
	Revaluation Reserve	Revenue Reserve
Balances brought forward	254340	306570
Profit for the financial year		15562
Transfer to bad debt reserve		(16816)
Balances carried forward	254340	305317

**ALNWICK FARMERS LIVESTOCK**

**AUCTION COMPANY LIMITED**

**TRADING AS NORTH EAST LIVESTOCK SALES**

**NOTES FORMING PART OF THE ACCOUNTS CONTINUED**

	1996	1995
<b>10. Turnover</b>		
Analysis of turnover by activity :-		
Throughput of mart	17,326,282	16,330,273
Commission earned	392147	370419
Services provided to other marts	60262	48580
Certifying fees	2082	2145
Profit on trading	988	-
Other fees and income	1309	925
	<u>456788</u>	<u>422069</u>
<b>11. Other Operating Income</b>		
Profit on sale of fixed assets	-	7227
Bad debt recovery	2000	9788
Other income	1419	154
	<u>3419</u>	<u>17169</u>
<b>12. Exceptional Item</b>		
Bad debts written off	<u>31148</u>	<u>-</u>
<b>13. Operating Profit is Arrived at After Charging</b>		
Depreciation	21294	27018
Auditors remuneration	3200	3300
Lease payments	3420	4250
Staff Costs :		
Wages and salaries	189836	196349
Social security costs	12237	13825
Directors Remuneration :		
Fees	6500	7500
Wages	730	520
The average number of employees during the year was :-		
Full time on the company's activities	7	7
Part time (Including directors)	<u>20</u>	<u>18</u>



ALNWICK FARMERS LIVESTOCK

AUCTION COMPANY LIMITED

TRADING AS NORTH EAST LIVESTOCK SALES

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	1995	1996
<b>14. Interest Receivable</b>		
On debtors balances	1879	270
<b>15. Interest Payable</b>		
On bank overdraft repayable within 5 years	19454	13283
Hire purchase interest	71	212
	19525	13495
<b>16. Taxation</b>		
Corporation tax on current earnings at 25% and 24%	14305	5786
On previous years at 25%	-	1990
Deferred taxation transfer at 24%	(437)	715
	13868	8491
<b>17. Transfer to Bad Debt Reserve</b>		
Levy collected	-	6816
Company Contribution	-	10000
	-	16816

**18. Capital Commitments**

There were no capital commitments at 31st July 1996.

**19. Contingent Liabilities**

The directors are not aware of any contingent liabilities as at 31st July 1996.