

**PETWOOD FARMING COMPANY (WOODHALL) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**5TH APRIL 1997**

**Registered number 590746**

**MOORSIDE FARM**

**STIXWOULD**

**WOODHALL SPA**

**LINCS.**



**J Nicholson & Co.  
Chartered Accountants  
67 Newland  
LINCOLN  
LN1 1YN**

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**COMPANY INFORMATION**

|                   |  |
|-------------------|--|
| INCORPORATED      | in England on 20th September 1957  |
| NUMBER            | 590746   |
| CHAIRMAN          | R T Booth Snr  |
| OTHER DIRECTORS   | R T Booth Jnr  |
| SECRETARY         | R T Booth Jnr  |
| REGISTERED OFFICE | Moorside Farm<br>Stixwould<br>Woodhall Spa<br>Lincs                            |
| BANKERS           | Midland Bank Plc<br>221 High Street<br>Lincoln<br>LN1 1TS                      |
| SOLICITORS        | McKinnells<br>188 High Street<br>Lincoln<br>LN5 7BE                            |
| AUDITORS          | J Nicholson & Co.<br>Chartered Accountants<br>67 Newland<br>Lincoln<br>LN1 1YN |

**DIRECTORS' REPORT****5TH APRIL 1997**

The directors present their report and the audited financial statements for the year ended 5th April 1997.

**Principal Activity**

The principal activity of the company during the year was farming.

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:-

|  | Ordinary<br>Shares<br>1997 | Ordinary<br>Shares<br>1996 |
|--|----------------------------|----------------------------|
| R T Booth Senior   | 1,000                      | 1,000                      |
| R T Booth Junior   | 100                        | 100                        |
| R T Booth Senior and R T Booth Junior<br>as Trustees of E M Booth deceased | 123,600                    | 2,100                      |

**Share Capital**

During the year 121,500 new shares were issued as detailed in the notes to the accounts.

**Auditors**

J Nicholson & Co. have agreed to offer themselves for re-appointment as auditors of the company.

**Small company exemptions**

The Directors Report which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the Board on 28-1-98 1997 and signed on its behalf.

.....  
Secretary

Moorside Farm  
Stixwold  
Woodhall Spa  
Lincs

Date 28.1.98

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board

.....  .....  
Chairman

Date 28.1.98.

**AUDITORS' REPORT**

**Auditors' report to the shareholders of  
PETWOOD FARMING COMPANY (WOODHALL) LIMITED**

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

**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. 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 5th April 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

J Nicholson & Co  
67 Newland  
Lincoln  
LN1 1YN

*J Nicholson & Co*  
.....  
Registered Auditors  
Chartered Accountants

Date:.....

## PROFIT AND LOSS ACCOUNT

|   | Note | Year to 5/4/97<br>£ | Year to 5/4/96<br>£ |
|---|------|---------------------|---------------------|
| <b>Turnover</b>   | 2    | 297,621             | 330,927             |
| Cost of Sales:  |      |                     |                     |
| Direct Costs  |      | 139,626             | 174,990             |
| Change in Valuation   |      | 36,895              | (9,217)             |
|   |      | <u>176,521</u>      | <u>165,773</u>      |
| <b>Gross Profit</b>   |      | 121,100             | 165,154             |
| Other Operating Income  |      | 12,110              | 4,448               |
|   |      | <u>133,210</u>      | <u>169,602</u>      |
| Staff Costs   |      | 30,227              | 27,197              |
| Depreciation  |      | 34,174              | 33,928              |
| Other Operating Charges                                       |      | 59,515              | 48,143              |
|   |      | <u>123,916</u>      | <u>109,268</u>      |
| <b>Operating Profit</b>                                       | 3    | 9,294               | 60,334              |
| Interest Payable  | 4    | 15,005              | 15,727              |
|   |      | <u>(5,711)</u>      | <u>44,607</u>       |
| <b>(Loss)/Profit on Ordinary Activities before Taxation</b>   |      |                     |                     |
| Tax on Ordinary Activities                                    |      | -                   | -                   |
|   |      | <u>(5,711)</u>      | <u>44,607</u>       |
| <b>(Loss)/Profit on on Ordinary Activities after Taxation</b> |      |                     |                     |
| Balance brought forward                                       |      | 8,129               | (36,478)            |
| Balance carried forward                                       |      | <u>2,418</u>        | <u>8,129</u>        |

The company made no recognised gains or losses in 1997 or 1996 other than the profit/(loss) for the period.

The Notes on pages 7a to 7d form part of these Accounts.

## BALANCE SHEET

|  | Note | As at 5/4/97 |         | As at 5/4/96 |         |
|--|------|--------------|---------|--------------|---------|
|  |      | £            | £       | £            | £       |
| <b>ASSETS</b>                                |      |              |         |              |         |
| <b>Fixed Assets</b>                          |      |              |         |              |         |
| Tangible Assets                              | 5    |              | 202,937 |              | 169,974 |
| <b>Current Assets</b>                        |      |              |         |              |         |
| Stocks                                       |      | 154,029      |         | 190,919      |         |
| Debtors                                      | 6    | 37,272       |         | 31,787       |         |
| Cash at Bank and in Hand                     |      | 34,139       |         | 7,693        |         |
|  |      |              | 225,440 |              | 230,399 |
|  |      |              |         |              |         |
|  |      |              | 428,377 |              | 400,373 |
|  |      |              |         |              |         |
| <b>LIABILITIES</b>                           |      |              |         |              |         |
| <b>Capital and Reserves</b>                  |      |              |         |              |         |
| Called Up Share Capital                      | 9    |              | 124,700 |              | 3,200   |
| Profit and Loss Account                      |      |              | 2,418   |              | 8,129   |
|  |      |              |         |              |         |
| <b>Shareholders Funds</b>                    | 10   |              | 127,118 |              | 11,329  |
| <b>Creditors</b>                             |      |              |         |              |         |
| Amounts falling due within one year          | 7    | 199,389      |         | 302,469      |         |
| Amounts falling due after more than one year | 8    | 101,870      |         | 86,575       |         |
|  |      |              | 301,259 |              | 389,044 |
|  |      |              |         |              |         |
|  |      |              | 428,377 |              | 400,373 |
|  |      |              |         |              |         |

The Financial Statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies were approved by the Board on 28.1.98 1998 and signed on its behalf.

.....  
Chairman

The Notes on pages 7a to 7d form part of these Accounts.



**NOTES ON FINANCIAL STATEMENTS****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in section 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

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

|                     |                      |
|---------------------|----------------------|
| Freehold buildings  | 10% Straight Line    |
| Plant and machinery | 25% Reducing Balance |
| Motor Vehicles      | 25% Reducing Balance |

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

**Stocks and work in progress**

The valuation is prepared at the lower of cost of production and net realisable value by Messrs. Robert Bell & Company., Chartered Surveyors, of Old Bank Chambers, Horncastle, Lincs.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future. Any liability is covered by tax losses.

# NOTES ON FINANCIAL STATEMENTS

## 2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

## 3. Operating Profit

This is stated after charging:-

Depreciation of Tangible Fixed Assets:

|                                      | 1997<br>£ | 1996<br>£ |
|--------------------------------------|-----------|-----------|
| - owned by the company               | 6,118     | 25,243    |
| - held under Hire Purchase Contracts | 28,056    | 8,685     |
| Directors Remuneration               | 4,680     | 4,680     |
| Auditors Remuneration                | 1,200     | 1,200     |

## 4. Interest Payable

|                        | 1997<br>£ | 1996<br>£ |
|------------------------|-----------|-----------|
| Bank Interest          | 6,726     | 12,488    |
| Hire Purchase Interest | 8,279     | 3,239     |

15,005 15,727

## 5. Tangible Fixed Assets

|                          | Total<br>£     | Sheds<br>£     | Vehicles<br>Tractors<br>Implements<br>and<br>Machinery<br>£ |
|--------------------------|----------------|----------------|---|
| <b>Cost</b>              |                |                |   |
| At 5/4/96                | 420,228        | 131,732        | 288,496   |
| Additions                | 88,087         | -              | 88,087  |
| Disposals                | (43,006)       | -              | (43,006)  |
| <b>Cost at 5/4/97</b>    | <b>465,309</b> | <b>131,732</b> | <b>333,577</b>  |
| <b>Depreciation</b>      |                |                |   |
| At 5/4/96                | 250,254        | 34,640         | 215,614   |
| Provided during the year | 51,821         | 12,136         | 39,685  |
| Disposals                | (39,703)       | -              | (39,703)  |
| <b>At 5/4/97</b>         | <b>262,372</b> | <b>46,776</b>  | <b>215,596</b>  |
| <b>Net Book Values</b>   |                |                |   |
| At 5/4/96                | 169,974        | 97,092         | 72,882  |
| <b>At 5/4/97</b>         | <b>202,937</b> | <b>84,956</b>  | <b>117,981</b>  |

Included above are assets held under hire purchase contracts amounting to £83,091 (1996 £30,985).

## NOTES ON FINANCIAL STATEMENTS

## 6. Debtors

| Due within one year:   | 1997<br>£     | 1996<br>£     |
|------------------------|---------------|---------------|
| Trade Debtors          | 29,418        | 25,292        |
| Customs & Excise - VAT | 3,366         | 2,395         |
| Prepayments            | 4,488         | 4,100         |
|                        | <u>37,272</u> | <u>31,787</u> |

## 7. Creditors

| Amounts falling due within one year:                | 1997<br>£      | 1996<br>£      |
|---|----------------|----------------|
| N.W.S. Bank Loans (Unsecured)                       | 33,810         | 40,575         |
| Midland Bank Loan (Secured)                         | 11,000         | 11,000         |
| Obligations under Hire Purchase Contracts (Secured) | 27,985         | 11,005         |
| Trade Creditors                                     | 10,040         | 7,496          |
| Current Corporation Tax                             | -              | -              |
| Other Taxes and Social Security Costs               | 866            | 913            |
| Set-Aside Received in Advance                       | 1,767          | 3,253          |
| Trustees E. M. Booth deceased Loan Account          | 107,638        | 221,727        |
| Accruals  | 6,283          | 6,500          |
|   | <u>199,389</u> | <u>302,469</u> |

The Trustees of E.M. Booth deceased have confirmed that while the loan is technically payable on demand, they will not seek repayment of any part of the loan until the company can afford to pay such.

## 8. Creditors

|    |   |               |               |
|----|---|---------------|---------------|
| a) | Amounts falling due after more than one year but within five years: | 1997<br>£     | 1996<br>£     |
|    | Midland Bank Loan (Secured)   | 44,000        | 44,000        |
|    | Obligations under Hire Purchase Contracts (Secured)                 | 35,870        | 9,575         |
|    |   | <u>79,870</u> | <u>53,575</u> |
| b) | Amounts falling due after more than five years:                     |               |               |
|    | Midland Bank Loan (Secured)   | 22,000        | 33,000        |
|    |   | <u>22,000</u> | <u>33,000</u> |

# NOTES ON FINANCIAL STATEMENTS

## 9. Share Capital

Ordinary Shares of £1 each

|   | 1997    |         | 1996   |        |
|---|---------|---------|--------|--------|
|   | No.     | £       | No.    | £      |
| Authorised:-                            | 165,000 | 165,000 | 15,000 | 15,000 |
| Allotted, Called Up<br>and Fully Paid:- | 124,700 | 124,700 | 3,200  | 3,200  |

## 10. Movement on shareholders funds

|                                     | 1997<br>£ | 1996<br>£ |
|-------------------------------------|-----------|-----------|
| New Share Capital Subscribed        | 121,500   | -         |
| Profit/(Loss) for the year          | (5,711)   | 44,607    |
| Net Additions to shareholders funds | 115,789   | 44,607    |
| Opening shareholders funds          | 11,329    | (33,278)  |
| Closing shareholders funds          | 127,118   | 11,329    |

## 11. Capital Commitments

|  | 1997<br>£ | 1996<br>£ |
|--|-----------|-----------|
| Contracted for but not provided in these accounts  | NIL       | NIL       |
| Authorised by the Directors but not contracted for | 10,692    | NIL       |

## 12. Related Party Transactions

The directors are also beneficiaries and trustees of the E M Booth Deceased Trust.

During the year an amount of £121,500 of the loan due to the Trust has been repaid by the issue of 121,500 Ordinary Shares of £1 each.

The Trust has also been charged with the private element of certain expenses paid on behalf of the directors in the amount of £10,340.

The balance due to the Trust at 5/4/97 was £107,638.