

A.G. WAUGH AND SONS LIMITED

ACCOUNTS FOR THE YEAR ENDED

28th FEBRUARY 1998

GREAVES WEST & AYRE

CHARTERED ACCOUNTANTS

BERWICK UPON TWEED

Company Number :
00714598



A.G. WAUGH AND SONS LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 28th FEBRUARY 1998

Principal Activities

During the year the company has continued its stone crushing operations, which continues to be the companys principal activity though a small amount of farming still takes place. The company has also diversified into forestry products via operations in Kielder Forest.

Directors and their Interests

The directors who have served during the year and their interests in the share capital of the company are :-

	Ordinary £1 1998	Shares 1997
A.G. Waugh	8000	8000
E.D. Waugh	7000	7000
S.G. Waugh	9000	9000

During the period the company traded in conjunction with Kielder Forest Products Limited, a company with which A.G. Waugh and S.G. Waugh are directors. As at 28th February 1998 Kielder Forest Products Limited owed £50493 to A.G. Waugh and Sons Limited. (1997 £63576).

Exemptions

In preparing this report, the directors have taken advantage of special exemptions available to small companies, conferred by part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

By Order of the Board

E.D. Waugh
.....
E.D. Waugh

DATE.....4/12/98.

Company Secretary

A.G. WAUGH AND SONS LIMITED
BALANCE SHEET AS AT 28th FEBRUARY 1998

<u>1997</u>		<u>Notes</u>	
	FIXED ASSETS		
285,232	Tangible assets	2	250,442
	CURRENT ASSETS		
6,500	Stock	3	6,800
66,496	Debtors	4	53,886
205	Cash at bank in hand		-
			<u>60,686</u>
73,201			
	Less : CREDITORS		
	Amounts falling due within one year	5	<u>215,550</u>
246,644			
(173,443)	NET CURRENT LIABILITIES		(154,864)
			<u>95,578</u>
111,789	TOTAL ASSETS LESS CURRENT LIABILITIES		
	Creditors due in more than one year	6	<u>103,491</u>
103,491			
8,298	NET LIABILITIES		(7,913)
			<u><u> </u></u>

A.G. WAUGH AND SONS LIMITED
BALANCE SHEET AS AT 28th FEBRUARY 1998

<u>1997</u>		<u>Notes</u>	
	CAPITAL AND RESERVES		
30,000	Called up share capital	7	30,000
404	Share premium account		404
66,694	Revaluation reserve		66,694
(88,800)	Profit and loss account		(105,011)
			<hr/>
<u>8,298</u>			<u>(7,913)</u>

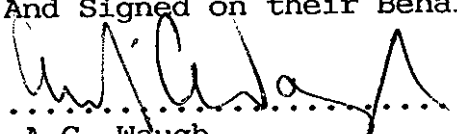
In the directors' opinion the company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 28th February 1998. No member of the company has deposited a notice under Section 249B(2) requiring an audit of these accounts.

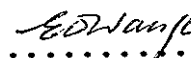
The directors are responsible for ensuring the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and its profit or loss for each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

In preparing these accounts, the directors have taken advantage of special exemptions available to small companies, under Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities, on the grounds that the company qualifies as a small company for the year ended 28th February 1998.

Approved by the Board On 4/12/98.....

And Signed on their Behalf :

.....) Director
A.G. Waugh

.....) Director
E.D. Waugh

A.G. WAUGH AND SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28th FEBRUARY 1998

<u>1997</u>		<u>Notes</u>	
58,334	Turnover	1	49,354
51,256	Cost of sales		31,868
<u>7,078</u>	Gross profit		<u>17,486</u>
13,799	Administrative expenses		13,588
<u>(6,721)</u>	Operating profit	8	<u>3,898</u>
<u>(18,135)</u>	Interest payable	9	<u>(20,110)</u>
	<u>Loss from ordinary activities</u>		
<u>(24,856)</u>	<u>before taxation</u>		<u>(16,212)</u>
<u>(24,856)</u>	Retained loss for the financial year		<u>(16,212)</u>
<u>(63,944)</u>	Profit and loss account brought forward		<u>(88,799)</u>
<u>(88,800)</u>	Profit and loss account carried forward		<u>(105,011)</u>

A.G. WAUGH AND SONS LIMITED
NOTES FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 28th FEBRUARY 1998

1. Accounting Policies

a) Basis of Accounting

The accounts are prepared under the historic cost convention and in accordance with applicable accounting standards.

b) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

c) Depreciation

Depreciation is calculated so as to write off the cost of assets over their estimated useful economic lives. Freehold property is not depreciated because in the opinion of the directors it is well maintained and no reduction in its value is expected. Other assets are depreciated as shown below :-

Property improvements	10% straight line
Implements	15% reducing balance
Tractors	25% reducing balance
Motor vehicles	25% reducing balance
Plant and equipment	20% reducing balance

d) Turnover

Turnover represents all goods and services sold or provided net of V.A.T.

e) Deferred Taxation

No provision for deferred taxation has been made as any potential future liability is covered by corporation tax losses carried forward.

A.G. WAUGH AND SONS LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets

	Freehold Land and Buildings	Implements
Cost		
Brought forward	217234	5706
Additions	-	-
Disposals	-	-
	217234	5706
Depreciation		
Brought forward	28350	4886
Charge this year	930	123
On disposals	-	-
	29280	5009
Net Book Value 1998	187954	697
Net Book Value 1997	188884	820

A.G. WAUGH AND SONS LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

Fixed Assets Continued

	Tractors	Motor Vehicles	Plant and Equipment	Total
Cost				
Brought forward	2878	38211	289809	553838
Additions	-	-	-	-
Disposals	-	-	(27000)	(27000)
	2878	38211	262809	526838
Depreciation				
Brought forward	2609	22357	210404	268606
Charge this year	68	3964	12425	17510
On disposals	-	-	(9720)	(9720)
	2677	26321	213109	276396
Net Book Value 1998	201	11890	49700	250442
Net Book Value 1997	269	15854	79405	285232

The Company's freehold land and buildings were valued at £187,000 on 6th July 1992 by George F. White, Chartered Surveyors, Alnwick.

	1998	1997
3. Stock		
Valuation of growing crops	6800	6500

A.G. WAUGH AND SONS LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1998</u>	<u>1997</u>
4. Debtors		
Payments in advance	1617	1393
Other debtors	1776	1527
Keilder Forest Products Limited	50493	63576
	<u>53886</u>	<u>66496</u>

5. Creditors

Amounts Falling Due Within One Year :

Trade creditors	3754	429
Accruals	1500	1500
Directors current accounts	16413	19329
Bank overdraft	193883	225386
	<u>215550</u>	<u>246644</u>

The bank borrowings are secured by a floating charge over all of the company's assets, and those of Kielder Forest Products Limited, and also by a guarantee from A.G. Waugh and Mrs. E.D. Waugh.

6. Creditors

Amounts Falling Due After More Than One Year :

Directors loan account	<u>103491</u>	<u>103491</u>
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7. Called Up Share Capital

Authorised

30000 Ordinary £1 shares	<u>30000</u>	<u>30000</u>
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Allotted, Called Up and Fully Paid

30000 Ordinary £1 shares	<u>30000</u>	<u>30000</u>
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A.G. WAUGH AND SONS LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1998</u>	<u>1997</u>
8. Operating Profit		
This is stated after charging the following items :-		
Depreciation	<u>16646</u>	<u>26297</u>
9. Interest Payable		
On bank overdraft	20110	16241
Hire purchase interest	-	1895
	<u>20110</u>	<u>18136</u>
10. Related Party Transactions		

All related party transactions are carried out on an "arms length" basis within the normal course of business.

During the period the company traded in conjunction with Kielder Forest Products Limited, a company with which A.G. Waugh and S.G. Waugh are directors. As at 28th February 1998 Kielder Forest Products Limited owed £50493 to A.G. Waugh and Sons Limited. (1997 £63576).

The directors current account balance is within creditors. The balance at the year end was £16412 (1997 £19329).