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A & A FARMERS LIMITED
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1998



A & A FARMERS LIMITED
REPORT OF THE DIRECTORS
For the year ended 31st October 1998

The directors submit their report and accounts for the year ended 31st October 1998.

PRINCIPAL ACTIVITY

The company's principal activity is that of farming and property management and investment.

RESULTS

The profit for the year after taxation was £3,685.

DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31st October 1998 and their beneficial interests in the share capital of the company throughout the financial year, or on appointment, were as follows:-

D.E. Abbott	-
D.M. Abbott (appointed 30th June 1998)	1

YEAR 2000 SOFTWARE ISSUES

The "Millennium bug" or "Year 2000 issue" refers to potential problems in the processing of data or operation of electronic equipment affected by the transition from 1999 to 2000.

The directors fully recognise the potential risks associated with the issue and are taking reasonable steps to ensure that the company is prepared for the transition. The costs associated with the transition are not considered significant.

CLOSE COMPANY

A & A Farmers Limited is a close company within the terms of the Income and Corporation Taxes Act 1988.

SPECIAL EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


D.E. ABBOTT
Director

REGISTERED OFFICE
43 Oak Lane,
Headcorn,
Ashford,
Kent.

11th March 1999

A & A FARMERS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31st October 1998

	<u>Notes</u>	<u>31.10.1997</u>
Rental income	-	1,699
Interest received	16,718	6,381
Sales and work done	451	352
	<hr/> 17,169	<hr/> 8,432
Administrative expenses	7,860	8,179
	<hr/> 9,309	<hr/> 253
Other operating income	540	449
OPERATING PROFIT	2 <hr/> 9,849	<hr/> 702
Profit on sale of tangible fixed assets	-	149,728
	<hr/> 9,849	<hr/> 150,430
Bank interest payable and similar charges	32	32
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<hr/> 9,817	<hr/> 150,398
Taxation	3 <hr/> 6,132	<hr/> 425
PROFIT FOR THE FINANCIAL YEAR	10 <hr/> £3,685	<hr/> £149,973

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>For the year ended 31st October 1998</u>	<u>31.10.1997</u>
Reported profit on ordinary activities before taxation	9,817	150,398
Realisation of property revaluation gains of previous years	-	73,000
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<hr/> £9,817	<hr/> £223,398
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	<hr/> £3,685	<hr/> £222,973

The company has no recognised gains or losses other than those shown in the profit and loss account.

The notes on pages 4 to 7 form part of these accounts.

A & A FARMERS LIMITED

BALANCE SHEET

As at 31st October 1998

	<u>Notes</u>		<u>31.10.1997</u>
FIXED ASSETS			
Tangible fixed assets	4	32,869	32,657
CURRENT ASSETS			
Stock	5	400	440
Debtors	6	2,132	2,337
Investments	7	25,367	25,356
Cash at bank		253,285	245,026
		<u>281,184</u>	<u>273,159</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	8	<u>17,181</u>	<u>12,629</u>
NET CURRENT ASSETS		264,003	260,530
NET ASSETS		<u>£296,872</u>	<u>£293,187</u>
CAPITAL AND RESERVES			
Called up share capital	9	3	3
Revaluation reserve	10	18,266	18,266
Profit and loss account	10	278,603	274,918
SHAREHOLDERS' FUNDS	10	<u>£296,872</u>	<u>£293,187</u>

For the year ended 31st October 1998 the company was entitled to exemption from the requirement to have an audit under the provisions of Section 249 A(1) of the Companies Act 1985. No notice has been deposited with the company under Section 249 B(2) of that Act requiring an audit to be carried out.

The director acknowledges his responsibility for,

- a) ensuring the company keeps accounting records in accordance with Section 221 of the Company Act 1985, and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial year and of its profit for that financial year and which comply with the accounting provisions of the Companies Act 1985 applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 11th March 1999


D.E. ABBOTT
(DIRECTOR) 11/3/99

The notes on pages 4 to 7 form part of these accounts.

A & A FARMERS LIMITED

NOTES TO THE ACCOUNTS

31st October 1998

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of freehold property and incorporate the results of the activity described in the directors' report which is continuing.

b) Depreciation

Depreciation is provided on tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Plant and equipment	-	25% on written down value
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c) Stocks

Stocks have been valued by the directors' and are stated at the lower of cost and net realisable value.

d) Deferred taxation

Deferred taxation is provided at year end rates where corporation tax is deferred through certain fixed assets being written down more rapidly for tax purposes than in the accounts less tax losses carried forward. No provision is made for timing differences which are not expected to reverse within the foreseeable future.

2. OPERATING PROFIT

This is stated after charging the following:-

	<u>31.10.1998</u>	<u>31.10.1997</u>
Depreciation of owned assets	335	410
Directors' remuneration	3,250	3,200
	<u> </u>	<u> </u>

A & A FARMERS LIMITED

NOTES TO THE ACCOUNTS

31st October 1998

(continued)

3. TAXATION

	<u>31.10.1998</u>	<u>31.10.1997</u>
Corporation tax at 21.0% (22.2%)	2,132	425
Underprovision for previous year	4,000	-
	<u>£6,132</u>	<u>£425</u>

4. TANGIBLE FIXED ASSETS

	Freehold property	Plant and equipment	Total
COST OR VALUATION			
At 1st November 1997	31,425	26,321	57,746
Additions	440	107	547
	<u>31,865</u>	<u>26,428</u>	<u>58,293</u>
DEPRECIATION			
At 1st November 1997	-	25,089	25,089
Charge for the year	-	335	335
	<u>-</u>	<u>25,424</u>	<u>25,424</u>
NET BOOK VALUE			
At 31st October 1998	<u>£31,865</u>	<u>£1,004</u>	<u>£32,869</u>
At 31st October 1997	<u>£31,425</u>	<u>£1,232</u>	<u>£32,657</u>

The freehold land and buildings were revalued on 31st October 1980 by the director on an existing use open market value basis.

The historical cost of the freehold land and buildings included at valuation is £13,599 (1997 : £13,159).

A & A FARMERS LIMITED

NOTES TO THE ACCOUNTS

31st October 1998

(continued)

5. STOCK

	<u>31.10.1998</u>	<u>31.10.1997</u>
Raw materials and consumables	310	255
Sundry stocks	90	185
	<u>£400</u>	<u>£440</u>

6. DEBTORS

	<u>31.10.1998</u>	<u>31.10.1997</u>
Other debtors	1,327	2,317
Prepayments	805	20
	<u>£2,132</u>	<u>£2,337</u>

7. INVESTMENTS

	<u>31.10.1998</u>	<u>31.10.1997</u>
Kent Wool Growers Limited (At cost)	367	356
Investment Bond	25,000	25,000
	<u>£25,367</u>	<u>£25,356</u>

8. CREDITORS

	<u>31.10.1998</u>	<u>31.10.1997</u>
Director's current account	10,377	6,393
Corporation tax	6,132	425
Other creditors	372	5,511
Accruals	300	300
	<u>£17,181</u>	<u>£12,629</u>

A & A FARMERS LIMITED

NOTES TO THE ACCOUNTS

31st October 1998

(continued)

9. CALLED UP SHARE CAPITAL

	<u>31.10.1998</u>	<u>31.10.1997</u>
Authorised:		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
2,000 8% Redeemable Preference shares of £1 each	<u>£2,000</u>	<u>£2,000</u>
Allotted, issued and fully paid:		
3 ordinary shares of £1 each	<u>£3</u>	<u>£3</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share capital</u>	<u>Profit and loss</u>	<u>Revaluation reserve</u>	<u>Total</u>
Balance at 1st November 1997	3	274,918	18,266	293,187
Profit for the year	-	3,685	-	3,685
Balance at 31st October 1998	<u>£3</u>	<u>£278,603</u>	<u>£18,266</u>	<u>£296,872</u>

11. RELATED PARTIES

The company is under the control of the trustees of the D.E. Abbott Discretionary Settlement, one of whom is the director, D.E. Abbott, by virtue of their holding of 2 ordinary shares of £1 each.