

Registration Number: 1237541

C. AND E. FRANKS LIMITED

Companies House

**Directors' Report
and
Accounts
For the year ended 31st December 1997**

**WHITING & PARTNERS
CHARTERED ACCOUNTANTS
THE OLD SCHOOL HOUSE
DARTFORD ROAD
MARCH CAMBS
PE15 8AE**



C. AND E. FRANKS LIMITED

Directors:

Mrs. E. Franks
Mrs. J. E. Walker
Mrs. H. M. Fosbueary

Secretary:

Mrs. H. M. Fosbueary

Registered Office:

16 Stonecross Way,
March,
Cambs.
PE15 9DH

Registered Number:

1237541

Bankers:

Barclays Bank Plc,
2 Broad Street,
March,
Cambs.
PE15 8TQ

Accountants:

Whiting & Partners,
Chartered Accountants,
The Old School House,
Dartford Road,
March,
Cambs.
PE15 8AE

C. AND E. FRANKS LIMITED

REPORT OF THE DIRECTORS
For the year ended 31st December 1997

The Directors present their report and the financial statements for the year ended 31st December 1997.

RESULTS AND DIVIDENDS

The results for the year are set out on page 3.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Company's principal activity during the year was the same as in previous years, namely arable farming.

Turnover of the sugar beet crop in the financial year was up on the previous year as the 1997 crop was harvested and despatched earlier than usual which hides the effects of the reduced price per tonne stemming from the overstrong current U.K. exchange rate. However, the Directors are aware that farming is a long term venture with numerous short term influences along the way and are content with the overall strategy.

DIRECTORS

The Directors at 31st December 1997 and their interests in the share capital of the company were as follows:

	31st December 1997	1st January 1997
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
Mrs. E. Franks	6,002	7,500
Mrs. J. E. Walker	2,999	2,250
Mrs. H. M. Fosbueary	2,999	2,250

Mrs. J. E. Walker retires by rotation and, being eligible, offers herself for re-election.

**Approved by the Board of Directors on 5th August 1998
and signed on its behalf by:-**

E. Franks

 Mrs. E. Franks

 H. M. Fosbueary

 Mrs. H. M. Fosbueary

)
) Directors
)

C. AND E. FRANKS LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31st December 1997

	Notes	£	1997 £	£	1996 £
<u>TURNOVER</u>	1		78,206		45,538
Change in Valuation of Produce			(16,400)		13,385
Other Operating Income			<u>2,475</u>		<u>2,285</u>
			64,281		61,208
<u>DEDUCT:</u>					
Raw Materials and Consumables		3,526		3,479	
Staff Costs	3	14,720		3,350	
Depreciation Charges		165		449	
Other Operating Charges		<u>56,101</u>	<u>74,512</u>	<u>53,023</u>	<u>60,301</u>
<u>OPERATING (LOSS)/PROFIT BEFORE INTEREST CHARGES</u>	2		(10,231)		907
Income from Bank Deposit Accounts		11,524		9,847	
Dividends Received		<u>266</u>	<u>11,790</u>	<u>767</u>	<u>10,614</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			1,559		11,521
Tax on Profit on Ordinary Activities	5		<u>(309)</u>		<u>(2,789)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			1,250		8,732
Dividends on Equity Shares	6		<u>—</u>		<u>(56,000)</u>
<u>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>			1,250		(47,268)
<u>RETAINED PROFITS</u> brought forward			<u>148,656</u>		<u>195,924</u>
<u>RETAINED PROFITS</u> carried forward			<u>149,906</u>		<u>148,656</u>

There were no recognised gains or losses for 1997 or 1996 other than those included in the Profit and Loss Account.

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 5 to 8 form part of these financial statements.

C. AND E. FRANKS LIMITED

BALANCE SHEET
As at 31st December 1997

	Notes	£	1997 £	£	1996 £
<u>FIXED ASSETS</u>					
Intangible Assets	7		-		-
Tangible Assets	8		46,871		47,036
Investments	9		<u>4,973</u>		<u>4,973</u>
			51,844		52,009
<u>CURRENT ASSETS</u>					
Stocks	10	11,170		27,190	
Debtors	11	31,396		12,802	
Cash at Bank		<u>188,368</u>		<u>197,907</u>	
		230,934		237,899	
<u>CREDITORS: amounts falling due within one year</u>	12	<u>(120,872)</u>		<u>(143,252)</u>	
<u>NET CURRENT ASSETS</u>			<u>110,062</u>		<u>94,647</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			161,906		146,656
<u>DEFERRED TAXATION ASSET</u>	13		-		<u>14,000</u>
<u>NET ASSETS</u>			<u>161,906</u>		<u>160,656</u>
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	14		12,000		12,000
Profit and Loss Account			<u>149,906</u>		<u>148,656</u>
<u>TOTAL EQUITY SHAREHOLDERS FUNDS</u>	15		<u>161,906</u>		<u>160,656</u>

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under section 249(B) of the Companies Act 1985. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.

The financial statements were approved by the Board on 5th August 1998 and signed on its behalf by:-

E. Franks.

 Mrs. E. Franks

 H. M. Fosbueary

 Mrs. H. M. Fosbueary

)
)
) Directors
)

The notes on pages 5 to 8 form part of these financial statements.

C. AND E. FRANKS LIMITED

NOTES TO ACCOUNTS

For the year ended 31st December 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention (modified to include the revaluation of freehold land and potato acreage quota) and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of value added tax) and, is totally attributable to the Company's principal activity carried on within the United Kingdom.

Depreciation

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

Agricultural Buildings -	Over 10 years straight line
Land Drainage -	Over 25 years straight line

Intangible Fixed Assets

The Directors consider that the estimated residual value of potato acreage quota is equal to the value at which it is included in the Accounts and no amortisation has therefore been provided.

Stocks

Stocks are stated at the lower of cost or net realisable value a basis consistent with previous years as follows:-

Cost incurred in bringing each product to its present location and condition. Growing crops, cultivations and produce on hand - cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to harvest and disposal.

Deferred Taxation

Deferred Taxation is provided at the current tax rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account.

Cash Flow Statement

The Company is entitled as a small company to exemption from F.R.S.1 and no cashflow statement has therefore been prepared.

2. OPERATING (LOSS)/PROFIT BEFORE INTEREST CHARGES

This is stated after charging or crediting:

	1997	1996
	£	£
Depreciation of tangible fixed assets		
- owned by the company	165	449
Net Rental Income	2,216	2,065

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

Wages and Salaries	13,745	2,750
Social Security Costs	375	-
Other Pension Costs (Note 17)	600	600
	14,720	3,350

The only employees of the Company during 1997 and 1996 were the three Directors.

4. DIRECTORS' REMUNERATION

Emoluments	13,745	2,750
Contributions under money purchase pension schemes	600	600
	14,345	3,350

During the year retirement benefits were accruing to 2 directors (1996: 2) in respect of money purchase pension schemes.

C. AND E. FRANKS LIMITED

NOTES TO ACCOUNTS (CONTINUED)
For the year ended 31st December 1997

5. **TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1997	1996
	£	£
Corporation Tax at 21 & 24% (1996: 24 & 25%)	256	2,662
Deferred Taxation at 21% (1996: 21%)	-	-
Tax Credits on Dividends Received	<u>53</u>	<u>127</u>
	<u>309</u>	<u>2,789</u>

6. **DIVIDENDS**

Ordinary Equity Shares:
Interim Paid
Final Proposed

-	-
=	<u>56,000</u>
=	<u>56,000</u>

7. **INTANGIBLE FIXED ASSETS**

Potato Acreage Quota
£

Cost or valuation at 1.1.97 and 31.12.97
Amortisation at 1.1.97 and 31.12.97
Net Book Value at 1.1.97 and 31.12.97
The potato acreage quota was valued on an open market value on 31st December 1997 by the Directors.

£
=
=
=

8. **TANGIBLE FIXED ASSETS**

Freehold Land and Buildings
£

Cost or valuation	
At 1.1.97	<u>61,066</u>
At 31.12.97	<u>61,066</u>
Depreciation	
At 1.1.97	14,030
Charge for year	<u>165</u>
At 31.12.97	<u>14,195</u>
Net Book Value	
At 31.12.97	<u>46,871</u>
At 1.1.97	<u>47,036</u>

The freehold land was valued on an open market value basis on 31st December 1991 by the Directors and the loss of £13,156 was written off to Revenue Reserve.

Historical Cost at 1.1.97 and 31.12.97	<u>57,377</u>
Net Book Value at 1.1.97 and 31.12.97	<u>44,221</u>

9. **INVESTMENTS**

The Company owns shares, which are unquoted, in two farming co-operative companies and has also made a loan to a farming co-operative company. During the year a net dividend of £213 (1996: £639) was received from one of these companies. No other dividends or interest were paid by any of these companies to members, in consequence of which prices received by members for farm produce will have been enhanced and purchases discounted. The balances are:-

	1997	1996
	£	£
Ordinary Shares	3,561	3,561
Loans	<u>1,412</u>	<u>1,412</u>
	<u>4,973</u>	<u>4,973</u>

In the opinion of the Directors, the open market values of the above investments at 31st December 1997 was not materially different from their book values.

10. **STOCKS**

Produce on Hand	3,200	19,600
Cultivations and Growing Crops	<u>7,970</u>	<u>7,590</u>
	<u>11,170</u>	<u>27,190</u>

C. AND E. FRANKS LIMITED

NOTES TO ACCOUNTS (CONTINUED)
For the year ended 31st December 1997

11. DEBTORS

	1997 £	1996 £
Amounts due within one year:		
Trade Debtors	13,917	11,619
Corporation Tax Recoverable	13,764	-
Other Debtors	<u>3,715</u>	<u>1,183</u>
	<u>31,396</u>	<u>12,802</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Payments received on account	554	554
Trade Creditors	13,023	10,625
Advance Corporation Tax	14,000	14,000
Current Corporation Tax	21	2,662
Other Taxes and Social Security Costs	3,536	633
Proposed Dividend	-	56,000
Directors Current Accounts	73,269	26,357
Accruals	<u>16,469</u>	<u>32,421</u>
	<u>120,872</u>	<u>143,252</u>

13. DEFERRED TAXATION ASSET

Deferred taxation assets provided in the Accounts and the potential amounts including the amounts for which no provision has been made are as follows:-

	1997 £	Provided 1996 £	1997 £	Potential 1996 £
Accelerated Capital Allowances	-	-	-	-
Other Timing Differences	-	-	116	116
Advance Corporation Tax Recoverable	=	<u>14,000</u>	=	<u>14,000</u>
	=	<u>14,000</u>	<u>116</u>	<u>14,116</u>

14. SHARE CAPITAL

	1997 £	1996 £
Ordinary Shares of £1 each:-		
Authorised	<u>20,000</u>	<u>20,000</u>
Allotted, Called Up and Fully Paid	<u>12,000</u>	<u>12,000</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the year	1,250	8,732
Dividends	-	(56,000)
Net movement in Shareholders Funds	1,250	(47,268)
Shareholders Funds at 1.1.97	<u>160,656</u>	<u>207,924</u>
Shareholders Funds at 31.12.97	<u>161,906</u>	<u>160,656</u>

16. CONTINGENT LIABILITIES

There were no known contingent liabilities not provided for at the Balance Sheet date (1996: None).

17. PENSION COMMITMENTS

The benefits payable under the money purchase pension scheme which the Company operates for its Directors are based upon the value of the Fund at the date of retirement. There is no commitment to fully fund the scheme. Premiums paid to this scheme during the year amounted to £600 (1996: £600).

18. TRANSACTIONS WITH DIRECTORS

The Directors have interests in various parcels of land and certain agricultural buildings situated thereon, which are occupied by the Company for the purpose of its farming activities. No rent is paid for some of these tenancies, but the Company meets all the outgoings in connection with the land and buildings, including all drainage, water and general rates and all maintenance and repair costs. Since September 1990 rent at normal commercial rates has applied to the land and buildings at Postmill Farm, Doddington.

C. AND E. FRANKS LIMITED

NOTES TO ACCOUNTS (CONTINUED)
For the year ended 31st December 1997

19. RELATED PARTY DISCLOSURES

Control

The Company is controlled by its shareholders.

Related Party Transactions

Listed below are related parties with whom the Company transacted during the year ended 31st December 1997 and a description of their relationship with the Company:

Mrs. E. Franks	- Director/Shareholder
Mrs. J. E. Walker	- Director/Shareholder
Mrs. H. M. Fosbueary	- Director/Shareholder
Mrs. E. Franks Settlement	- Controlled by the Directors as Trustees

Transactions during the year:

Rents paid £9,990

Amounts owed to related parties at 31st December 1997 were as follows:-

Director's Accounts - totalling £73,269 comprising

- Mrs. E. Franks	<u>£48,653</u>
- Mrs. J. E. Walker	<u>£8,158</u>
- Mrs. H. M. Fosbueary	<u>£16,458</u>

Accrued Rent Payable £2,498