

**C. AND E. FRANKS LIMITED**

**Financial Statements**

**For the Year Ended 31 December 2005**

**Company Registration Number 1237541**



**WHITING & PARTNERS**

*Chartered Accountants & Business Advisers*

The Old School House

Dartford Road

March

Cambs

PE15 8AE

# **C. AND E. FRANKS LIMITED**

## **Officers and Professional Advisers**

---

### **The Board of Directors**

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

### **Company Secretary**

Mrs. H. M. Fosbueary

### **Registered Office**

16 Stonecross Way  
March  
Cambs  
PE15 9DH

### **Accountants**

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

### **Bankers**

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

# C. AND E. FRANKS LIMITED

## The Directors' Report

Year Ended 31 December 2005

---

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2005.

### Principal Activities

The principal activity of the company during the year was the same as in previous years, namely arable farming.

### The Directors and their Interests in the Shares of the Company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
Mrs. E. Franks	6,002	6,002
Mrs. J. E. Walker	2,999	2,999
Mrs. H. M. Fosbueary	<u>2,999</u>	<u>2,999</u>

### Retirement of Directors

In accordance with the Articles of Association, Mrs. E. Franks will retire from the board and, being eligible, will stand for re-appointment.

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
16 Stonecross Way  
March  
Cambs  
PE15 9DH

Signed on behalf of the directors

*E. Franks.*

Mrs. E. Franks  
Director

Approved by the directors on 31-8-2006

# C. AND E. FRANKS LIMITED

## Profit and Loss Account

Year Ended 31 December 2005

		2005	2004
	Note	£	£
<b>Turnover</b>		<b>43,168</b>	<b>47,960</b>
Change in stocks of finished goods		(3,485)	(5,655)
Other operating income		<u>8,443</u>	<u>8,191</u>
		<b>48,126</b>	<b>50,496</b>
<b>Operating Costs:</b>			
Raw materials and consumables		(35,075)	(38,167)
Staff costs		—	(8,243)
Depreciation written off fixed assets	2	(165)	(165)
Other operating charges		<u>(7,603)</u>	<u>(7,327)</u>
<b>Operating Profit/(Loss)</b>		<b>5,283</b>	<b>(3,406)</b>
Interest receivable		<u>4,486</u>	<u>4,718</u>
<b>Profit on Ordinary Activities Before Taxation</b>		<b>9,769</b>	<b>1,312</b>
Tax on profit on ordinary activities	4	(2,349)	(616)
<b>Profit for the Financial Year</b>		<u><b>7,420</b></u>	<u><b>696</b></u>

The notes on pages 6 to 12 form part of these financial statements.

# C. AND E. FRANKS LIMITED

## Balance Sheet

31 December 2005

		2005		2004	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	5		45,551		45,716
Investments	6		50		50
			<u>45,601</u>		<u>45,766</u>
<b>Current Assets</b>					
Stocks		6,155		9,520	
Debtors	7	18,515		8,710	
Cash at bank		97,672		180,530	
		<u>122,342</u>		<u>198,760</u>	
<b>Creditors: Amounts Falling due Within One Year</b>	8	<u>41,851</u>		<u>65,874</u>	
<b>Net Current Assets</b>			<u>80,491</u>		<u>132,886</u>
<b>Total Assets Less Current Liabilities</b>			<u>126,092</u>		<u>178,652</u>
<b>Capital and Reserves</b>					
Called-up equity share capital	15		12,000		12,000
Profit and loss account	16		114,092		166,652
<b>Shareholders' Funds</b>			<u>126,092</u>		<u>178,652</u>

The Balance sheet continues on the following page.

The notes on pages 6 to 12 form part of these financial statements.

## C. AND E. FRANKS LIMITED

### Balance Sheet *(continued)*

31 December 2005

---

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on the ~~31-8-2006~~ and are signed on their behalf by:

*E. Franks.*

Mrs. E. Franks  
Director

The notes on pages 6 to 12 form part of these financial statements.

---

# **C. AND E. FRANKS LIMITED**

## **Notes to the Financial Statements**

**Year Ended 31 December 2005**

---

### **1. Accounting Policies**

#### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### **Changes in Accounting Policies**

Following the company's adoption of the Financial Reporting Standard for Smaller Entities (effective January 2005), the presentation of dividends has been altered, as follows:

Dividends paid are now shown in the notes to the financial statements as a debit to equity. Previously, dividends paid were shown in the Profit and Loss Account.

*If the company declares dividends after the balance sheet date, it does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed dividends were recorded as liabilities at the balance sheet date. Full details of the effects of this change in accounting policy are disclosed in note 16 to the financial statements.*

#### **Turnover**

Turnover represents the amount of goods sold and services provided during the year (net of Value Added Tax).

#### **Tangible Fixed Assets**

All tangible fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold land	- Nil
Land drainage	- Over 25 years straight line

#### **Stocks**

Stocks are stated at the lower of cost or net realisable value on 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.

#### **Operating Lease Agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# C. AND E. FRANKS LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2005

---

### 1. Accounting Policies Continued

#### Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### Provisions

Provisions are set up only where it is probable that a present obligation exists as a result of an event prior to the balance sheet date and that a payment will be required in settlement that can be estimated reliably.

#### Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Operating Profit/(Loss)

Operating profit/(loss) is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	<u>165</u>	<u>165</u>

### 3. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Aggregate emoluments	<u>—</u>	<u>8,243</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005	2004
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

---



# C. AND E. FRANKS LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2005

### 4. Taxation on Ordinary Activities

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 4.89%)	2,349	616
Total current tax	<u>2,349</u>	<u>616</u>

### 5. Tangible Fixed Assets

	Freehold property £
Cost or Valuation	
At 1 January 2005 and 31 December 2005	<u>61,066</u>
Depreciation	
At 1 January 2005	15,350
Charge for the year	165
At 31 December 2005	<u>15,515</u>
Net Book Value	
At 31 December 2005	<u>45,551</u>
At 31 December 2004	<u>45,716</u>

Included within Freehold property above, is freehold land at a book value of £44,221 (2004: £44,221), which is not being depreciated.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2005 £	2004 £
Net book value at end of year	<u>44,221</u>	<u>44,221</u>
Historical cost	<u>57,377</u>	<u>57,377</u>

# C. AND E. FRANKS LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2005

### 6. Investments

	Unquoted Shares £
<b>Cost</b>	
At 1 January 2005 and 31 December 2005	<u>50</u>
<b>Net Book Value</b>	
At 31 December 2005	<u>50</u>
At 31 December 2004	<u>50</u>

In the opinion of the directors, the open market value of the investments at 31st December 2005 was not materially different from their book values.

### 7. Debtors

	2005	2004
	£	£
Trade debtors	15,507	5,329
VAT recoverable	2,839	3,024
Other debtors	169	357
	<u>18,515</u>	<u>8,710</u>

### 8. Creditors: Amounts Falling due Within One Year

	2005	2004
	£	£
Trade creditors	11,625	12,298
Corporation tax	2,349	616
Other taxation and social security	—	1,320
Other creditors	27,877	51,640
	<u>41,851</u>	<u>65,874</u>

### 9. Pensions

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 £Nil (2004: £Nil).

# C. AND E. FRANKS LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2005

### 10. Deferred Taxation

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2005	2004
	£	£
Tax losses available	<u>10,020</u>	<u>9,459</u>

### 11. Commitments under Operating Leases

At 31 December 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	10,800	-
Within 2 to 5 years	-	10,800
	<u>10,800</u>	<u>10,800</u>

### 12. Contingencies

There were no known contingent liabilities not provided for at the Balance Sheet date (2004: None).

### 13. Transactions with the Directors

All of 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 of the outgoings in connection with the land and buildings, including all drainage, water and general rates and all maintenance and repair costs. Rent at a normal commercial rate is paid in respect of the land and buildings at Postmill Farm, Doddington. Payments made during the year were as follows:

Mrs. E. Franks	£3,780 (2004: £3,780)
Mrs. J. E. Walker	£810 (2004: £810)
Mrs. H. M. Fosbueary	£810 (2004: £810)

# C. AND E. FRANKS LIMITED

## Notes to the Financial Statements

Year Ended 31 December 2005

---

### 14. Related Party Transactions

#### Control

The company is controlled by Mrs. E. Franks by virtue of her ownership of 50.02% of the issued ordinary share capital in the company.

#### Related Parties

Listed below are related parties with whom the company transacted during the year ended 31st December 2005 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 in their capacities as Trustees

#### Transactions

Full details of transactions with the directors during the year, are set out in note 13 to the financial statements.

Rents paid to other related parties    £5,400 (2004: £5,400)

#### Balances

Amounts owed to related parties at 31st December 2005 were as follows:-

Directors' current accounts	£11,678 (2004: £32,212)
Accrued rent payable	£2,700 (2004: £2,700)

### 15. Share Capital

#### Authorised share capital:

	2005	2004
	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

#### Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

## C. AND E. FRANKS LIMITED

### Notes to the Financial Statements

#### Year Ended 31 December 2005

---

##### 16. Profit and Loss Account

	2005	2004
	£	£
Balance brought forward as previously reported	166,652	165,956
Prior year adjustment (see below)	—	8,000
Balance brought forward restated	166,652	173,956
Profit for the financial year	7,420	696
Equity dividends paid	(59,980)	(8,000)
Balance carried forward	114,092	166,652

During 2005, the company paid dividends of £59,980. During 2004, the company paid dividends of £8,000, all of which had been proposed by the directors as at 31st December 2003. This is a change of accounting policy required by the Financial Reporting Standard for Smaller Entities (effective January 2005). Previously, dividends proposed by the directors had been provided for in the financial statements as liabilities.