

C. AND E. FRANKS LIMITED

Financial Statements

For the Year Ended 31 December 2008



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 2008

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2008.

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 2008 | At 1 January 2008 |
| 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 29.9.09

C. AND E. FRANKS LIMITED

Profit and Loss Account

Year Ended 31 December 2008

| | Note | 2008 £ | 2007 £ |
|---|------|---------------------|-----------------------|
| Turnover | | 30,793 | 27,444 |
| Change in stocks of finished goods | | 7,220 | 2,680 |
| Other operating income | | 6,045 | 7,838 |
| | | <u>44,058</u> | <u>37,962</u> |
| Operating Costs: | | | |
| Raw materials and consumables | | (33,829) | (25,940) |
| Staff costs | | — | (6,000) |
| Depreciation written off fixed assets | 2 | (539) | (539) |
| Other operating charges | | (9,006) | (8,705) |
| Operating Profit/(Loss) | | 684 | (3,222) |
| Interest receivable | | 2,426 | 3,192 |
| Profit/(Loss) on Ordinary Activities Before Taxation | | 3,110 | (30) |
| Tax on profit/(loss) on ordinary activities | 4 | (1,712) | (2,085) |
| Profit/(Loss) for the Financial Year | | <u>1,398</u> | <u>(2,115)</u> |

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

C. AND E, FRANKS LIMITED

Balance Sheet

31 December 2008

| | Note | 2008 £ | 2007 £ |
|---|------|----------------|----------------|
| Fixed Assets | | | |
| Tangible assets | 6 | 53,658 | 54,197 |
| Current Assets | | | |
| Stocks | | 15,000 | 7,540 |
| Debtors | 7 | 12,099 | 21,058 |
| Cash at bank | | 84,623 | 88,896 |
| | | <u>111,722</u> | <u>117,494</u> |
| Creditors: Amounts Falling due Within One Year | 8 | <u>51,563</u> | <u>51,270</u> |
| Net Current Assets | | <u>60,159</u> | <u>66,224</u> |
| Total Assets Less Current Liabilities | | <u>113,817</u> | <u>120,421</u> |
| Capital and Reserves | | | |
| Called-up equity share capital | 15 | 12,000 | 12,000 |
| Profit and loss account | 16 | 101,817 | 108,421 |
| Shareholders' Funds | | <u>113,817</u> | <u>120,421</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 2008

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 2007).

These financial statements were approved by the directors and authorised for issue on 4.9.09..., 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 2008

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 2007).

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.

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.

C. AND E. FRANKS LIMITED

Notes to the Financial Statements

Year Ended 31 December 2008

1. Accounting Policies *(continued)*

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:

| | 2008 | 2007 |
|------------------------------------|------------|------------|
| | £ | £ |
| Depreciation of owned fixed assets | <u>539</u> | <u>539</u> |

3. Directors' Emoluments

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

| | 2008 | 2007 |
|----------------------|----------|--------------|
| | £ | £ |
| Aggregate emoluments | <u>-</u> | <u>6,000</u> |

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

| | 2008 | 2007 |
|------------------------|----------|----------|
| | 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 2008

4. Taxation on Ordinary Activities

Analysis of charge in the year

| | 2008 £ | 2007 £ |
|--|--------------|--------------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 20.75% (2007: 19.75%) | 1,712 | 2,085 |
| Total current tax | <u>1,712</u> | <u>2,085</u> |

5. Dividends

Equity dividends

| | 2008 £ | 2007 £ |
|--------------------|--------------|-----------|
| Paid | | |
| Ordinary £1 shares | <u>8,002</u> | <u>—</u> |

6. Tangible Fixed Assets

| | Freehold property £ |
|--|------------------------|
| Cost or Valuation | |
| At 1 January 2008 and 31 December 2008 | <u>70,416</u> |
| Depreciation | |
| At 1 January 2008 | 16,219 |
| Charge for the year | 539 |
| At 31 December 2008 | <u>16,758</u> |
| Net Book Value | |
| At 31 December 2008 | <u>53,658</u> |
| At 31 December 2007 | <u>54,197</u> |

Included within Freehold property above, is freehold land at a book value of £44,221 (2007: £44,221), which is not being depreciated.

C. AND E. FRANKS LIMITED

Notes to the Financial Statements

Year Ended 31 December 2008

6. Tangible Fixed Assets *(continued)*

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

| | 2008 | 2007 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| 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> |

7. Debtors

| | 2008 | 2007 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 10,350 | 18,489 |
| VAT recoverable | 1,744 | 2,324 |
| Other debtors | 5 | 245 |
| | <u>12,099</u> | <u>21,058</u> |

8. Creditors: Amounts Falling due Within One Year

| | 2008 | 2007 |
|-----------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 16,989 | 21,095 |
| Corporation tax | 1,712 | 2,085 |
| Other creditors | 32,862 | 28,090 |
| | <u>51,563</u> | <u>51,270</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 (2007: £Nil).

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:

| | 2008 | 2007 |
|----------------------|---------------|---------------|
| | £ | £ |
| Tax losses available | <u>17,784</u> | <u>16,634</u> |

C. AND E. FRANKS LIMITED

Notes to the Financial Statements

Year Ended 31 December 2008

11. Commitments under Operating Leases

At 31 December 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

| | 2008 £ | 2007 £ |
|--------------------------------|---------------|---------------|
| Operating leases which expire: | | |
| Within 2 to 5 years | <u>10,800</u> | <u>10,800</u> |

12. Contingencies

There were no known contingent liabilities not provided for at the Balance Sheet date (2007: None).

13. Transactions with the Directors

a) 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 | £6,480 (2007: £3,780) |
| Mrs. J. E. Walker | £810 (2007: £810) |
| Mrs. H. M. Fosbueary | £810 (2007: £810) |

b) The company advanced a short term loan of £30,000 to Mrs. E. Franks on 4th April 2008. This loan was repaid by Mrs. Franks in two equal instalments on 23rd July 2008 and 30th October 2008. Mrs. Franks paid the company total interest of £825 in respect of this loan, calculated at the official rate.

C. AND E. FRANKS LIMITED

Notes to the Financial Statements

Year Ended 31 December 2008

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 2008 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 £2,700 (2007: £5,400)

Balances

Amounts owed to related parties at 31st December 2008 were as follows:-

| | |
|-----------------------------|------------------------|
| Directors' current accounts | £7,175 (2007: £10,043) |
| Accrued rent payable | £2,700 (2007: £2,700) |

15. Share Capital

Authorised share capital:

| | 2008 | 2007 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| 20,000 Ordinary shares of £1 each | <u>20,000</u> | <u>20,000</u> |

Allotted, called up and fully paid:

| | 2008 | | 2007 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 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 2008

16. Profit and Loss Account

| | 2008 | 2007 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Balance brought forward | 108,421 | 110,536 |
| Profit/(loss) for the financial year | 1,398 | (2,115) |
| Equity dividends | (8,002) | — |
| Balance carried forward | <u>101,817</u> | <u>108,421</u> |