

BOSTON POTATO COMPANY LIMITED
FINANCIAL STATEMENTS
PERIOD 1 JUNE 1996 TO 31 MAY 1997



BulleyDavey

Wisbech



BOSTON POTATO COMPANY LIMITED

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1997

FINANCIAL STATEMENTS

Page

Board of Directors and Officials

1

Report of the Directors

2 - 3

Report of the Auditor

4

Profit and Loss Account

5

Balance Sheet

6

Accounting Policies

7

Notes to the Financial Statements

8 - 12

BOSTON POTATO COMPANY LIMITED

BOARD OF DIRECTORS AND OFFICIALS

Directors

*A Elmer
J Elmer
P Mitchell
A Brown*

Secretary

Mrs M Elmer

Registered Office

*9/10 The Crescent
WISBECH
Cambs
PE13 1EH*

Auditor

*Bulley Davey
9/10 The Crescent
WISBECH
Cambs
PE13 1EH*

Bankers

*National Westminster Bank plc
Peterborough Business Centre
The Lawns
33 Thorpe Road
PETERBOROUGH
PE1 1EZ*

Registration Number

1294549

BOSTON POTATO COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statements for the year ended 31 May 1997.

Principal Activity

The principal activities of the Company in the year under review were that of potato merchants and the provision of storage and grading facilities.

Review of the Business

A summary of the results of the year's trading is given on page 5 of the accounts.

The Directors are pleased to report a profit after taxation of £97,373 (1996 £75,371). This has been transferred to reserves.

Dividends

The Directors do not recommend the payment of a dividend.

Fixed Assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Directors

The beneficial interests of the Directors and their families in the issued ordinary share capital of the Company were as follows:-

	<u>31.5.97</u>	<u>31.5.96</u>
A Elmer	3000	3000
J Elmer (appointed 6 April 1997)	Nil	Nil
P Mitchell (appointed 6 April 1997)	Nil	Nil
A Brown (appointed 6 April 1997)	Nil	Nil

Directors Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the Directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOSTON POTATO COMPANY LIMITED

REPORT OF THE DIRECTORS CONTINUED

Auditor

A resolution proposing the reappointment of Bulley Davey as Auditor of the Company will be put to the Annual General Meeting.

The Report of the Directors 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

M. Elmer Secretary
Mrs M Elmer

12.9.97 Date

REPORT OF THE AUDITOR TO THE MEMBERS OF BOSTON POTATO COMPANY LIMITED

We have audited the financial statements set out on pages 5 to 12 which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

Respective Responsibilities of the Directors and Auditor

As described on page 2, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 May 1997, and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**Bulley Davey
Registered Auditor
9/10 The Crescent
WISBECH
Cambs**

15th September 1997

Date

BOSTON POTATO COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

YEAR ENDED 31 MAY 1997

	Note	1997 £	1996 £
Turnover	1	2,978,613	3,393,217
Cost of sales		2,359,096	2,878,031
Gross Profit		619,517	515,186
Other operating charges		439,689	324,189
Operating Profit	2	179,828	190,997
Loss on disposal of property		-	28,809
		179,828	162,188
Income from investments		4,392	3,188
Interest payable	3	(54,419)	(60,672)
		(50,027)	(57,484)
Profit on Ordinary Activities Before Taxation		129,801	104,704
Taxation	4	(32,428)	(29,333)
Profit For Financial Year	12	97,373	75,371

The movement on reserves is set out in note 12.

There were no acquisitions or discontinued operations during the current or preceding year.

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

STATEMENT OF RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MAY 1997

The only recognised gain/loss for the period was the profit for the financial year of £97,373.

BOSTON POTATO COMPANY LIMITED**BALANCE SHEET**

AS AT 31 MAY 1997

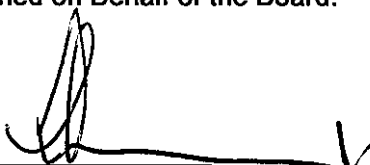
	Note	1997 £	1996 £
Tangible Fixed Assets	6	643,437	600,331
Current Assets			
Stock	7	-	3,731
Debtors	8	455,907	456,230
Cash at bank and in hand		98	162
		456,005	460,123
Creditors - amounts falling due within one year	9	(642,569)	(704,391)
Net Current Liabilities		(186,564)	(244,268)
Total Assets Less Current Liabilities		456,873	356,063
Creditors - amounts falling due after one year	10	(410,633)	(407,196)
Net Assets/(Liabilities)		46,240	(51,133)
Capital and Reserves			
Called up share capital	12	3,000	3,000
Profit and loss account	12	43,240	(54,133)
Shareholders Funds	12	46,240	(51,133)

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

The financial statements were approved by the Directors on:-

11. 9. 97

Signed on Behalf of the Board:


 _____ Director
 A Elmer

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

BOSTON POTATO COMPANY LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31 MAY 1997

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the Company have remained unchanged from the previous year and are set out below.

Fixed Assets

Tangible fixed assets have been recorded at original cost and depreciation is provided to write off the cost over their estimated useful lives.

The principal rates applied are as follows:-

Motor vehicles	25% reducing balance
Equipment	15% reducing balance
Land and buildings	2% reducing balance

Stock

Stock is valued at the lower of cost and net realisable value.

Deferred Taxation

Provision is made for taxation of the Company at the 1997 rate of 21% (1996 24%) which is deferred due to the differences between depreciation provided for in the accounts and the corresponding allowances for tax purposes.

Provision is made for deferred taxation only to the extent that there is a reasonable probability of the tax falling due for payment in the foreseeable future. Deferred tax not provided for, if material, is disclosed as a contingent liability.

Hire Purchase Commitments

Assets hired under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives.

The interest element of the hire purchase contract is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital repayments outstanding.

Pension Costs

Pension costs are attributable to a defined contribution scheme and are provided for as they fall due.

Leased Assets

Assets used by the Company which have been funded through finance leases are capitalised and the resulting lease obligations are included in creditors. Rentals payable under operating leases are charged to the profit and loss account as incurred over the lease term.

Going Concern

The accounts have been prepared on a going concern basis despite the fact that the Company has net current liabilities of £186,564.

The Directors consider this basis to be appropriate because of the continuing support of the Company's bank and the fact that the Company is trading profitably.

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1997

1 Turnover and Profit on Ordinary Activities Before Taxation

The turnover and profit before taxation is attributable to one activity, that of potato merchants and the provision of storage and grading facilities.

2 Operating Profit

Operating profit is stated after charging:-

	1997 £	1996 £
Staff costs (see note 5)	274,342	183,544
Auditors remuneration	5,500	5,479
Depreciation	39,687	31,824
(Profit)/loss on disposal of assets	1,626	(4,947)
Hire of plant and machinery	1877	1205
Operating lease payments	18,327	16,801

3 Interest Payable

On bank loans, overdrafts and other loans:-

	1997 £	1996 £
Repayable within 5 years, not by instalments	17,224	20,048
Repayable within 5 years, by instalments	11,945	12,327
Repayable wholly or partly in more than 5 years	25,250	28,297
	54,419	60,672

4 Tax on Profit on Ordinary Activities

The tax charge is based on the profit for the year made up as follows:-

	1997 £	1996 £
U K Corporation tax @ 21%/24% (1996 @ 24%/25%)	32,332	26,820
Interest on overdue corporation tax	96	2,513
	32,428	29,333

5 Directors and Employees

Staff costs during the period:

	1997 £	1996 £
Wages and salaries	235,336	156,033
Social security	22,773	14,536
Pension costs	16,233	12,975
	274,342	183,544

The average number of employees of the Company during the period, including the Directors, was 17 (1996 13).

Of the above wages and salaries £73,281 is included in cost of sales.

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1997

5 Directors and Employees Continued

Staff Costs include remuneration in respect of the Directors as follows:-

	1997 £	1996 £
Management remuneration	57,153	33,624
Fees	22,300	8,000
	79,453	41,624
Benefits in kind	13,010	11,412
Pension Costs	16,233	6,120

6 Tangible Fixed Assets

	Total £	Land and Buildings £	Motor Vehicles £	Equipment £
Cost				
At 1 June 1996	678,490	461,354	133,603	83,533
Additions	100,971	2,600	51,502	46,869
Disposals	39,674	-	38,424	1,250
At 31 May 1997	739,787	463,954	146,681	129,152
Depreciation				
At 1 June 1996	78,159	-	43,229	34,930
Deleted on disposal	21,496	-	21,465	31
Charge for year	39,687	9,279	19,428	10,980
At 31 May 1997	96,350	9,279	41,192	45,879
Net Book Values				
At 31 May 1997	643,437	454,675	105,489	83,273
At 31 May 1996	600,331	461,354	90,374	48,603

Included in the above are the following amounts relating to assets purchased under hire purchase contracts:-

	Equipment £
Depreciation charge for year	4,003
Net book value at 31 May 1997	22,684

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1997

6 Tangible Fixed Assets Continued

Included in the above are the following amounts relating to assets purchased under finance lease contracts:-

	Motor Vehicles £
Depreciation charge for year	19,428
Net book value at 31 May 1997	105,489

7 Stock

	1997 £	1996 £
Valuation	-	3,731

8 Debtors

Amounts falling due within one year:-

	1997 £	1996 £
Trade debtors	448,225	439,578
Staff loans	500	14,545
Corporation tax recoverable	2,107	2,107
Other debtors	3,450	-
Prepayments	1,625	-
	455,907	456,230

9 Creditors - amounts falling due within one year

	1997 £	1996 £
Loans	39,163	30,320
Hire purchase/lease purchase commitments (see note 11)	45,448	40,125
Bank overdraft	138,151	201,850
Trade creditors	301,757	296,253
Corporation tax payable	32,332	26,820
Social security and other taxes	24,817	39,550
Director's current account - A Elmer	270	400
Accruals	60,631	69,073
	642,569	704,391

10 Creditors - amounts falling due after one year

	1997 £	1996 £
Hire purchase/lease purchase commitments (see note 11)	71,831	54,116
Mortgage loans	338,802	353,080
	410,633	407,196

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1997

10 Creditors - amounts falling due after one year Continued

Loans outstanding at 31 May 1997 are repayable as follows:-	1997 £	1996 £
Repayable between 1 - 2 years	39,710	30,819
Repayable between 2 - 5 years	56,283	70,943
Repayable in 5 years or more	242,809	251,318
	338,802	353,080

The bank overdraft and loans are secured by a fixed and floating charge over the book debts and freehold property.

11 Hire Purchase and Lease Purchase Commitments

	Lease Purchase		Hire Purchase	
	1997 £	1996 £	1997 £	1996 £
Year ending 31 May 1998	47,975	30,188	11,209	19,968
After 31 May 1998	79,724	51,009	3,766	14,975
	127,699	81,197	14,975	34,943
Finance charges allocated to future periods	(22,620)	(16,163)	(2,775)	(5,736)
	105,079	65,034	12,200	29,207
Due within 1 year	36,298	23,118	9,150	17,007
Due within 2 - 5 years	68,781	41,916	3,050	12,200

12 Share Capital and Reconciliation of Movements in Shareholders Funds

	1997 £	1996 £
Ordinary Shares of £1 Each		
Authorised	3,000	3,000
Allotted, called up and fully paid	3,000	3,000
Deficit brought forward	(54,133)	(129,504)
Shareholders funds at 1 June	(51,133)	(126,504)
Profit for the year	97,373	75,371
Shareholders Funds at 31 May	46,240	(51,133)

All shareholders funds are attributable to equity interests.

13 Deferred taxation

The potential liability to deferred taxation is as follows:-

	1997 £	1996 £
Accelerated capital allowances	3,777	3,448

BOSTON POTATO COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MAY 1997

14 Contingent Liabilities

There were no contingent liabilities at either 31 May 1997 or 31 May 1996, except in respect of deferred taxation (see note 13 above).

15 Capital Commitments

There were no capital commitments at either 31 May 1997 or 31 May 1996.

16 Leasing Obligations

	1997 £	1996 £
Operating lease commitments:-		
Between 1 and 5 years	34,637	43,628
