

Company No: 1294549

BOSTON POTATO COMPANY LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 1999



BulleyDavey

Wisbech

BOSTON POTATO COMPANY LIMITED

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YEAR ENDED 31 MAY 1999

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BOSTON POTATO COMPANY LIMITED

BOARD OF DIRECTORS AND OFFICIALS

Directors

*A Elmer (Chairman)
J Elmer
P Mitchell
A Brown
R Bingham*

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 1999.

Principal Activity

The principal activity of the Company in the year under review was that of selling, grading and storage of produce.

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 and dividend of £133,178 (1998 £122,313). This has been transferred to reserves.

Dividends

Interim dividends of £6.67 per share and £4.47 per share have been paid. There has been no proposal for a final dividend.

Fixed Assets

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

Year 2000 Compliance

The Company has taken steps to ensure all date-sensitive equipment is year 2000 compliant.

Directors

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

	31.5.99	31.5.98
A Elmer	3000	3000
J Elmer	Nil	Nil
P Mitchell	Nil	Nil
A Brown	Nil	Nil
R Bingham	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

30.07.99

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 13 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 1999, 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**

3rd AUGUST 1999 Date

BOSTON POTATO COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MAY 1999

	Note	1999 £	1998 £
Turnover	1	4,272,672	3,386,749
Cost of sales		3,436,836	2,669,180
Gross Profit		835,836	717,569
Other operating charges		576,498	506,010
Operating Profit	2	259,338	211,559
Income from investments		4,895	5,683
Interest payable	3	(62,305)	(64,175)
		(57,410)	(58,492)
Profit on Ordinary Activities Before Taxation		201,928	153,067
Taxation	4	(35,325)	(30,754)
Profit on Ordinary Activities After Taxation		166,603	122,313
Dividends	5	(33,425)	-
Profit For Financial Year	12	133,178	122,313

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 13 form part of these financial statements.

STATEMENT OF RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MAY 1999

The only recognised gain/loss for the period was the profit for the financial year of £166,603.

BOSTON POTATO COMPANY LIMITED**BALANCE SHEET**

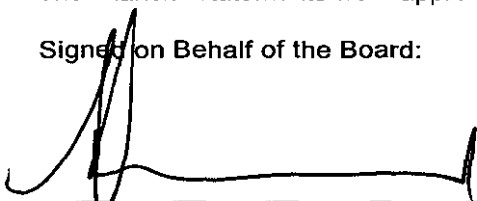
AS AT 31 MAY 1999

	Note	1999 £	1998 £
Tangible Fixed Assets	<i>7</i>	773,545	668,311
Current Assets			
Debtors	<i>8</i>	855,954	565,654
Cash at bank and in hand		680	76
		856,634	565,730
Creditors - amounts falling due within one year	<i>9</i>	(999,071)	(692,061)
Net Current Liabilities		(142,437)	(126,331)
Total Assets Less Current Liabilities		631,108	541,980
Creditors - amounts falling due after one year	<i>10</i>	(329,377)	(373,427)
Net Assets		301,731	168,553
Capital and Reserves			
Called up share capital	<i>12</i>	3,000	3,000
Profit and loss account	<i>12</i>	298,731	165,553
Shareholders Funds	<i>12</i>	301,731	168,553

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:- 30th June 1999

Signed on Behalf of the Board:


A Elmer Director

The accounting policies and notes on pages 7 to 13 form part of these financial statements.

BOSTON POTATO COMPANY LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31 MAY 1999

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 1999 rate of 20% (1998 21%) 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 £142,437.

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 1999

1 Turnover and Profit on Ordinary Activities Before Taxation

The turnover and profit before taxation is attributable to one activity, that of selling, grading and the storage of produce.

2 Operating Profit

Operating profit is stated after charging:-

	1999 £	1998 £
Staff costs (see note 6)	361,219	317,180
Auditors remuneration	3,500	3,500
Depreciation	66,738	52,736
Loss on disposal of assets	7,911	1,422
Hire of plant and machinery	10,456	9,004
Operating lease payments	22,331	18,617

3 Interest Payable

On bank loans, overdrafts and other loans:-

	1999 £	1998 £
Repayable within 5 years, not by instalments	16,704	19,749
Repayable within 5 years, by instalments	19,510	16,556
Repayable wholly or partly in more than 5 years	26,091	27,870
	62,305	64,175

4 Tax on Profit on Ordinary Activities

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

	1999 £	1998 £
U K corporation tax @ 20% / 21% (1998 21%)	35,510	30,403
Interest on overdue corporation tax	(185)	351
	35,325	30,754

5 Dividends

	1999 £	1998 £
Interim dividend @ £6.67 per share	20,000	-
Interim dividend @ £4.47 per share	13,425	-
	33,425	-

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1999

6 Directors and Employees	1999	1998
Staff costs during the period:	£	£
Wages and salaries	307,465	272,303
Social security	34,262	26,953
Redundancy costs	660	-
Pension costs	18,832	17,924
	361,219	317,180

The average number of employees of the Company during the period, including the Directors, was 18 (1998 17).

Of the above wages and salaries £130,038 is included in cost of sales.

Staff costs include remuneration in respect of the Directors as follows:-	1999	1998
	£	£
Management remuneration	130,917	119,039
Fees	24,776	24,833
	155,693	143,872

Benefits in kind	38,019	33,256
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Pension costs	18,078	17,021
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Emoluments:-	1999	1998
	£	£

Chairman	70,267	107,443
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Highest paid Director	70,267	107,443
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Number of other Directors whose emoluments fell within the bands stated:-

	1999	1998
£0 - £5,000	-	-
£5,001 - £10,000	-	1
£10,001 - £15,000	-	-
£15,001 - £20,000	-	-
£20,001 - £25,000	-	1
£25,001 - £30,000	1	2
£30,001 - £35,000	1	-
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-

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

YEAR ENDED 31 MAY 1999

7 Tangible Fixed Assets

	Total £	Land and Buildings £	Motor Vehicles £	Equipment £
Cost				
At 1 June 1998	792,078	463,954	153,448	174,676
Additions	218,108	4,686	71,000	142,422
Disposals	71,011	-	63,926	7,085
At 31 May 1999	939,175	468,640	160,522	310,013
Depreciation				
At 1 June 1998	123,767	18,367	43,929	61,471
Deleted on disposal	24,875	-	22,393	2,482
Charge for year	66,738	8,912	28,509	29,317
At 31 May 1999	165,630	27,279	50,045	88,306
Net Book Values				
At 31 May 1999	773,545	441,361	110,477	221,707
At 31 May 1998	668,311	445,587	109,519	113,205

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

	Motor Vehicles £	Equipment £
Depreciation charge for year	6,424	10,652
Net book value at 31 May 1999	29,939	93,113

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

	Motor Vehicles £	Equipment £
Depreciation charge for year	15,184	3,882
Net book value at 31 May 1999	77,637	21,992

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

YEAR ENDED 31 MAY 1999

8 Debtors	1999	1998
Amounts falling due within one year:-	£	£
Trade debtors	792,447	548,781
Staff loans	500	500
Corporation tax recoverable	-	2,107
Other debtors	3,000	5,706
Prepayments	60,007	8,560
	855,954	565,654

9 Creditors - amounts falling due within one year	1999	1998
	£	£
Loans	56,409	35,926
Hire purchase/lease purchase commitments (see note 11)	63,155	47,385
Bank overdraft	-	98,738
Trade creditors	775,226	414,811
Corporation tax payable	35,510	30,403
Social security and other taxes	20,308	23,579
Director's current account - A Elmer	23	176
Accruals	48,440	41,043
	999,071	692,061

10 Creditors - amounts falling due after one year	1999	1998
	£	£
Hire purchase/lease purchase commitments (see note 11)	87,789	68,184
Mortgage loans	241,588	305,243
	329,377	373,427

Loans outstanding at 31 May 1999 are repayable as follows:-	1999	1998
	£	£
Repayable between 1 - 2 years	25,053	36,205
Repayable between 2 - 5 years	88,793	10,604
Repayable in 5 years or more	127,742	258,434
	241,588	305,243

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

BOSTON POTATO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1999

11 Hire Purchase and Lease Purchase Commitments

	Lease Purchase		Hire Purchase	
	1999	1998	1999	1998
	£	£	£	£
Year ending 31 May 2000	34,317	42,624	44,726	17,696
After 31 May 2000	49,795	59,979	56,416	20,128
	84,112	102,603	101,142	37,824
Finance charges allocated to future periods	(17,262)	(18,998)	(17,048)	(5,860)
	66,850	83,605	84,094	31,964
Due within 1 year	26,330	32,512	36,825	14,873
Due within 2 - 5 years	40,520	51,093	47,269	17,091

12 Share Capital and Reconciliation of Movements in Shareholders Funds

	1999	1998
	£	£
Ordinary Shares of £1 Each		
Authorised	3,000	3,000
Allotted, called up and fully paid	3,000	3,000
Surplus brought forward	165,553	43,240
Shareholders funds at 1 June	168,553	46,240
Profit for the year	166,603	122,313
Dividends	(33,425)	-
Net Increase in Shareholders Funds	133,178	122,313
Shareholders Funds at 31 May	301,731	168,553

All shareholders funds are attributable to equity interests.

13 Deferred Taxation

The potential liability to deferred taxation is as follows:-

	1999	1998
	£	£
Accelerated capital allowances	16,870	7,619

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

YEAR ENDED 31 MAY 1999

14 Contingent Liabilities

There were no contingent liabilities at either 31 May 1999 or 31 May 1998, except in respect of deferred taxation (see note 13 overleaf).

15 Capital Commitments

	1999 £	1998 £
Alterations and extension to premises	320,000	-

16 Leasing Obligations

	1999 £	1998 £
Operating lease commitments:-		
Between 1 and 5 years	33,394	17,374