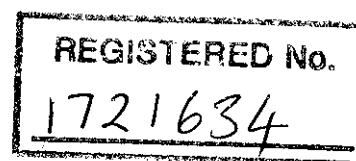


# REGISTRAR'S COPY

PATCHETTS GREEN LIMITED

REPORT AND FINANCIAL STATEMENTS

31st MARCH 2000



Ms

## **Patchetts Green Limited**

### **Directors**

D.E. McTaggart  
J.L. Skender  
A. Theodorou  
L. Tuke  
K.S. Reeve-Young

### **Secretary and Registered Office**

Cornhill Secretaries  
St.Paul's House, Warwick Lane, London EC4P 4BN

### **Auditors**

Moore Stephens  
Chartered Accountants  
St. Paul's House, Warwick Lane, London, EC4P 4BN

### **Report of the Directors**

The directors present their report and the audited financial statements for the year ended 31st March 2000.

#### **Report on Activities**

The principal activity during the year was that of an equestrian centre providing facilities for horse riding and keeping horses, tack shop for the necessary clothing of a rider and catering for the people visiting the premises.

#### **Result for the Year**

The net loss for the financial year amounted to £89,735 (1999 - £18,586) and has been carried forward to the next year.

The directors do not recommended that a dividend is paid.

#### **Directors**

K.S. Reeve-Young was appointed on 5th June 2000.

#### **Directors' Interests**

The directors' beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31st March <u>2000</u>	31st March <u>1999</u>
D.E. McTaggart	70	70
J.L. Skender	30	30
A. Theodorou	-	-
L. Tuke	-	-

**Patchetts Green Limited****Directors Report (Continued)****Auditors**

The auditors, Moore Stephens, are willing to continue in office. A resolution confirming their appointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board



D.E. McTAGGART

Director

**Patchetts Green Limited****Statement of 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the 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 enable them to ensure that the financial statements 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.

**Report of the Auditors to the Members of  
Patchetts Green Limited**

We have audited the financial statements 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 Directors and Auditors**

As described on page 3 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 financial statements 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 31st March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,  
London, EC4P 4BN

**10 JUL 2001**

  
MOORE STEPHENS  
Registered Auditor  
Chartered Accountants

## Patchetts Green Limited

**Profit and Loss Account**  
**For the year ended 31st March 2000**

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>Turnover</b>	1(b),2	1,220,943	1,250,437
Cost of sales		<u>(943,484)</u>	<u>(962,612)</u>
<b>Gross Profit</b>		277,459	287,825
Administrative expenses		<u>(366,826)</u>	<u>(308,080)</u>
<b>Operating Loss</b>	3	(89,367)	(20,255)
Interest receivable		164	1,669
Interest payable	6	<u>(532)</u>	<u>-</u>
<b>Loss for the Year</b>		(89,735)	(18,586)
<b>Accumulated Loss Brought Forward</b>		<u>(420,969)</u>	<u>(402,383)</u>
<b>Accumulated Loss Carried Forward</b>		£ <u><u>(510,704)</u></u>	£ <u><u>(420,969)</u></u>

Turnover and operating loss derive wholly from continuing operations.

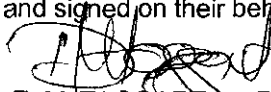
There are no recognised gains or losses other than the loss for the year.

## Patchetts Green Limited

## Balance Sheet as at 31st March 2000

	Note	<u>2000</u>		<u>1999</u>	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets	7		1,926,382		1,823,277
<b>Current Assets</b>					
Stocks	8	186,750		211,501	
Debtors	9	80,920		132,759	
Cash at bank and in hand		22,527		12,218	
		<u>290,197</u>		<u>356,478</u>	
<b>Creditors, amounts falling due within one year</b>	10	<u>(215,366)</u>		<u>(270,946)</u>	
<b>Net Current Assets</b>			<u>74,831</u>		<u>85,532</u>
<b>Total Assets Less Current Liabilities</b>			<u>2,001,213</u>		<u>1,908,809</u>
<b>Creditors, amounts falling due after more than one year</b>	11		<u>(2,511,817)</u>		<u>(2,329,678)</u>
			<u>£ (510,604)</u>		<u>£ (420,869)</u>
<b>Equity Capital and Reserves</b>					
Called up share capital	12		100		100
Profit and loss account			<u>(510,704)</u>		<u>(420,969)</u>
<b>Equity Shareholder's Funds</b>	13		<u>£ (510,604)</u>		<u>£ (420,869)</u>

These financial statements were approved by the Board on  
and signed on their behalf by

  
D.E. McTAGGART Director

09 JUL 2001

# Patchetts Green Limited

## Financial Statements for the year ended 31st March 2000

### Notes

#### 1. Accounting Policies

##### (a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and include the results of the company's operations all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on grounds that it is a small company.

##### (b) Turnover

Turnover represents the value of goods sold and services provided during the year, net of value added tax.

##### (c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and machinery	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	10% Reducing balance

Leasehold improvements are not currently depreciated as the directors believe the residual value to be in excess of cost.

##### (d) Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. The livestock, which is included at market value which is lower than cost, is revalued each year in order to take into account the age and condition of the livestock.

##### (e) Going concern

At the balance sheet date the company had net current assets of £74,831 (1999: £85,532) and a deficit of liabilities over assets of £510,604 (1999: £420,869). The company is reliant upon the continued support of Exchange Limited who have provided funds of £2,502,112. Exchange Limited has confirmed that it will not ask for repayment of its loan during the next year. The directors are confident that future funding is available for the company to carry on trading for the next twelve months. On this basis, in the opinion of the directors, it is appropriate to prepare the financial statements on a going concern basis.



## Patchetts Green Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 2. Turnover

Turnover is attributable to the one principal activity of the company, being that of an equestrian centre, entirely within the UK.

The divisional turnover arose as follows:

	<u>2000</u> £	<u>1999</u> £
Riding school	646,666	714,757
Tack shop	438,035	410,273
Clubhouse	136,242	125,407
	<u>£ 1,220,943</u>	<u>£ 1,250,437</u>

## 3. Operating Loss

The operating loss is stated after charging:

	<u>2000</u> £	<u>1999</u> £
Depreciation and impairment write downs of tangible fixed assets owned by the company	45,970	49,822
Auditors remuneration	11,000	10,000
Equipment hire	1,992	978
	<u>£ 58,962</u>	<u>£ 60,800</u>

## 4. Staff Costs

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

	<u>2000</u> £	<u>1999</u> £
Wages and salaries	441,598	434,687
Social security costs	29,904	29,294
	<u>£ 471,502</u>	<u>£ 463,981</u>

The average monthly number of employees including directors, during the year was as follows:

	<u>2000</u> Number	<u>1999</u> Number
Office and management	5	6
Operations	40	47
	<u>£ 45</u>	<u>£ 53</u>

## Patchetts Green Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 5. Directors' Remuneration

	<u>2000</u> £	<u>1999</u> £
Aggregate emoluments	£ 47,360	£ 11,882

No retirement benefits are accruing to directors under a money purchase pension scheme or defined benefit scheme.

## 6. Interest Payable

	<u>2000</u> £	<u>1999</u> £
On bank loans and overdrafts	36	-
On other loans	496	-
	£ 532	£ -

## 7. Tangible Assets

	<u>Leasehold Improvements</u> £	<u>Plant and Machinery</u> £	<u>Fixtures and Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost					
At 1st April 1999	1,551,007	154,144	254,030	102,279	2,061,460
Additions	89,990	38,260	21,025	-	149,275
Disposals	-	(6,950)	-	-	(6,950)
At 31st March 2000	1,640,997	185,454	275,055	102,279	2,203,785
Depreciation					
At 1st April 1999	26,885	82,936	69,513	58,849	238,183
Charge for the year	-	14,559	20,554	10,857	45,970
Disposals	-	(6,750)	-	-	(6,750)
At 31st March 2000	26,885	90,745	90,067	69,706	277,403
Net book value					
At 31st March 2000	£ 1,614,112	£ 94,709	£ 184,988	£ 32,573	£ 1,926,382
At 31st March 1999	£ 1,524,122	£ 71,208	£ 184,518	£ 43,430	£ 1,823,277

Fixed assets include plant and machinery acquired under lease purchase agreements with a net book of £16,575.

## Patchetts Green Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 8. Stocks

	<u>2000</u>	<u>1999</u>
	£	£
Horses and ponies	17,700	48,841
Horse and pony food	3,116	4,129
Finished goods	165,934	158,531
	<hr/>	<hr/>
£	186,750	£ 211,501
	<hr/>	<hr/>

## 9. Debtors

	<u>2000</u>	<u>1999</u>
	£	£
Due within one year:		
Trade debtors	50,325	96,362
Other debtors	7,595	4,528
Prepayments and accrued income	23,000	31,869
	<hr/>	<hr/>
£	80,920	£ 132,759
	<hr/>	<hr/>

## 10. Creditors: amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Bank loans and overdrafts	6,374	28,712
Trade creditors	106,533	131,492
Social security and other taxes	36,777	31,135
Other creditors	24,622	47,554
Lease purchase creditor	5,449	-
Accruals and deferred income	35,611	32,053
	<hr/>	<hr/>
£	215,366	£ 270,946
	<hr/>	<hr/>

Included in other creditors above is an amount owed to one of the directors of £7,074 (1999: £8,743). This is interest free and repayable on demand.

## Patchetts Green Limited

## Financial Statements for the year ended 31st March 2000

## Notes (Continued)

## 11. Creditors: amounts falling due after more than one year

	<u>2000</u> £	<u>1999</u> £
Lease purchase creditor	9,705	-
Loans	2,502,112	2,329,678
	<u>£ 2,511,817</u>	<u>£ 2,329,678</u>

Included within the above amounts falling due as follows:

In 2-5 years on demand	<u>£ 2,502,112</u>	<u>£ 2,329,678</u>
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No interest is chargeable on the loan.

## 12. Share Capital

	<u>2000</u> £	<u>1999</u> £
Authorised 100 ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

## 13. Shareholders Funds

Reconciliation of movements on shareholders' funds

	<u>2000</u> £	<u>1999</u> £
Loss for the year	(89,735)	(18,586)
Opening shareholders' funds	<u>(420,969)</u>	<u>(402,283)</u>
Closing shareholders' funds	<u>£ (510,704)</u>	<u>£ (420,869)</u>

## 14. Lease Commitments

The company has signed a lease to rent the land and buildings at Hilfield Lane, Aldenham, Watford until 22nd December 2012, and has annual operating lease commitments of £30,000 under the terms of the lease.

**Patchetts Green Limited****Financial Statements for the year ended 31st March 2000****Notes (Continued)****15. Related Party Transactions**

At the balance sheet date, McTaggart Shipping Company Limited owed to Patchetts Green Limited £1,665 (1999: £Nil) being a debt in the ordinary course of the business. The two companies have Mr. D.E. McTaggart as a common director and controlling shareholder.

**16. Ultimate Controlling Party**

The ultimate controlling party of the company is Mr. D.E. McTaggart who owns 70% of the issued ordinary share capital of the company.