

Ridgewood Farm Limited  
Annual report  
for the year ended 31 August 2001

Registered Number: 01743884



# **Ridgewood Farm Limited**

## **Annual Report**

**for the year ended 31 August 2001**

### **Contents**

Director's report for the year ended 31 August 2001 .....	1
Independent auditors' report to the members of Ridgewood Farm Limited .....	2
Profit and loss account for the year ended 31 August 2001 .....	4
Balance sheet as at 31 August 2001 .....	5
Notes to the financial statements for the year ended 31 August 2001 .....	6

# **Ridgewood Farm Limited**

## **Director's report for the year ended 31 August 2001**

The director presents his reports and the financial statements for the year ended 31 August 2001.

### **Principal activity**

The principal activity of the company during the year was that of farming.

### **Review of business and future development**

The profit and loss account for the year is set out on page 4.

The company has guaranteed the overdraft and loans of its parent undertaking and fellow subsidiaries. During the year the group has incurred losses. The directors of the group have taken action to eliminate loss making activities, as explained in the accounts of the parent undertaking. Additionally the directors have taken steps to dispose of the cattle herd.

In the meantime the directors are confident that the group as a whole will operate economically, but nonetheless recognise that they are dependent upon their bankers for ongoing support. The bankers have indicated that they support the directors plans and intend to provide the necessary funding, subject to normal banking terms and review, for the foreseeable future.

On this basis, the directors consider it is appropriate to prepare these financial statements on a going concern basis.

### **Director and his interests**

The director of the company at 31 August 2001, who has been a director for the whole of the year ended on that date, unless otherwise stated, was:

F Brook

The director has no interest in the share capital of the company. His interest in the shares of the parent company are given in the accounts of that company.

### **Dividends**

The director does not recommend the payment of a dividend (2000: £Nil).

### **Statement of director's responsibilities**

The director is required by UK company law to prepare financial statements for each financial year 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 the profit or loss of the company for that period.

The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 August 2001. The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Ridgewood Farm Limited**

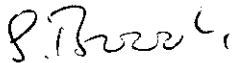
### **Auditors**

A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

### **Special exemptions**

This report 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**



**S G Brook**  
**Secretary**  
**8 July 2002**

## **Ridgewood Farm Limited**

### **Independent auditors' report to the members of Ridgewood Farm Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

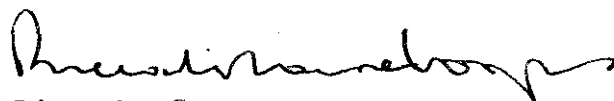
#### **Basis of opinion**

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 31 August 2001 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Nottingham  
8 July 2002

## Ridgewood Farm Limited

### Profit and loss account for the year ended 31 August 2001

	Note	2001 £	2000 £
Turnover	2	79,101	48,976
Cost of sales		(1,816)	(7,430)
Gross profit		77,285	41,546
Administrative expenses		(66,126)	(39,998)
Other operating income		17,114	7,050
Operating profit	3	28,273	8,598
Interest payable and similar charges	4	(1,073)	(447)
Profit on ordinary activities before taxation		27,200	8,151
Taxation		(10,865)	5,802
Profit for the financial year	12	16,335	13,953

All amounts relate to continuing operations.

The company has no recognised gains or losses for the year other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

# Ridgewood Farm Limited

## Balance sheet as at 31 August 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	6	417,792	396,127
<b>Current assets</b>			
Stocks		35,706	29,867
Debtors	7	6,682	8,915
		42,388	38,782
Creditors: amounts falling due within one year	8	(701,736)	(676,582)
<b>Net current liabilities</b>		<b>(659,348)</b>	<b>(637,800)</b>
<b>Total assets less current liabilities</b>		<b>(241,556)</b>	<b>(241,673)</b>
Creditors: amounts falling due after one year	9	-	(12,799)
Provisions for liabilities and charges	10	(6,688)	(10,107)
<b>Net liabilities</b>		<b>(248,244)</b>	<b>(264,579)</b>
<b>Capital reserves</b>			
Called up share capital	11	100,000	100,000
Profit and loss account	12	(348,244)	(364,579)
<b>Deficiency of equity shareholders' funds</b>	13	<b>(248,244)</b>	<b>(264,579)</b>

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 on pages 3 to 10 were approved by the board of directors on 8 July 2002 and were signed on its behalf by:

F Brook  
Director



# Ridgewood Farm Limited

## Notes to the financial statements for the year ended 31 August 2001

### 1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

#### Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The balance sheet at the year end shows that liabilities exceed assets by £248,244. The parent company, Honormead Limited, has confirmed that it will maintain its financial support for the foreseeable future to enable the company to continue normal trading operations.

The parent company meets its day-to-day working capital requirements through a combination of overdraft and longer term loans. The overdraft is repayable on demand. At the balance sheet date group overdraft and loans amounted to £5,706,000. Various steps have been put in place to refocus the group's business operations and remove loss making operations by either disposal or closure. The directors are now confident that the refocused group will operate economically.

The group's bankers have indicated their support for the directors' plans and that they intend to provide the necessary financing, subject to normal banking terms and review, for the foreseeable future. On this basis the directors consider the going concern basis is appropriate.

#### Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

#### Tangible fixed assets and depreciation

Interests in freehold property are stated at valuation. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less the estimated residual value, over their expected useful lives on a reducing balance basis at the following rates:

	%
Plant and equipment	20
Motor vehicles	25

The directors do not consider it appropriate to depreciate either land or freehold property since, in their opinion, the buildings owned by the company are such that any charge to depreciation would be immaterial as the estimated residual value of the buildings is not materially different from the carrying values of the buildings.



## Ridgewood Farm Limited

### Stocks

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

### Cash flow

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985 and as a consequence is exempt from the requirement to publish a cash flow statement.

### Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that a liability or asset will crystallise.

### Assets held under finance leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their useful lives. The finance charges are allocated over the period of the lease on a straight line basis.

## 2 Turnover

All turnover arose within the United Kingdom.

## 3 Operating profit

	2001	2000
	£	£
<hr/>		
Operating profit is stated after charging:		
Depreciation of tangible owned fixed assets	7,623	6,567
Depreciation of tangible fixed assets held under finance leases	6,562	1,640
Auditors' remuneration	500	500
	<hr/>	

## 4 Interest payable and similar charges

	2001	2000
	£	£
<hr/>		
Interest payable on finance leases	1,073	447
	<hr/>	

## Ridgewood Farm Limited

### 5 Director's emoluments

The director received no emoluments in respect of his services to the company (2000: £Nil).

### 6 Tangible fixed assets

	Freehold land and buildings	Plant & machinery fixtures & fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 September 2000	355,253	139,496	27,000	521,749
Additions	-	4,000	31,850	35,850
<b>At 31 August 2001</b>	<b>355,253</b>	<b>143,496</b>	<b>58,850</b>	<b>557,599</b>
<b>Depreciation</b>				
At 1 September 2000	-	123,296	2,326	125,622
Charge for year	-	3,640	10,545	14,185
<b>At 31 August 2001</b>	<b>-</b>	<b>126,936</b>	<b>12,871</b>	<b>139,807</b>
<b>Net book value</b>				
<b>At 31 August 2001</b>	<b>355,253</b>	<b>16,560</b>	<b>45,979</b>	<b>417,792</b>
At 31 August 2000	355,253	16,200	24,674	396,127

The net book value of fixed assets includes an amount of £18,048 (2000: £24,610) in respect of assets held under finance leases.

The freehold property was valued in June 1999 on the open market basis by independent, qualified valuers, Salloway & Associates, Surveyors and Valuers. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. There was no significant difference between the valuation and the cost of the property and therefore no adjustment was made in the financial statements. The directors consider that the valuation is reasonable as market value at 31 August 2001.

## Ridgewood Farm Limited

### 7 Debtors

	2001	2000
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	5,122	1,726
Other debtors	1,560	7,189
	<b>6,682</b>	<b>8,915</b>

### 8 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank overdraft	17,738	16,222
Trade creditors	698	3,729
Amounts owed to group undertakings	669,409	640,055
Other creditors	1,093	877
Net obligations under finance leases	12,798	8,083
Corporation tax payable	-	7,616
	<b>701,736</b>	<b>676,582</b>

The bank overdraft is secured by a fixed charge over the freehold property.

### 9 Creditors: amounts falling due after one year

	2001	2000
	£	£
Net obligations under finance leases repayable within 5 years	-	12,799

# Ridgewood Farm Limited

## 10 Provisions for liabilities and charges

	Deferred taxation	
	£	
At 1 September 2000	10,107	
Charge for year	(3,419)	
At 31 August 2001	6,688	
	2001	2000
	£	£
Provision for deferred tax comprises:		
Accelerated capital allowances	17,542	20,961
Losses	(10,854)	(10,854)
	6,688	10,107

There was unprovided deferred taxation of £5,491 in respect of capital gains at 31 August 2001 (2000: £5,491).

## 11 Called up share capital

	2001	2000
	£	£
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
100,000 ordinary shares of £1 each	100,000	100,000

## 12 Profit and loss account

	£
At 1 September 2000	(364,579)
Profit for the year	16,335
At 31 August 2001	(348,244)

## **Ridgewood Farm Limited**

### **13 Reconciliation of movements in shareholders' funds**

	2001	2000
	£	£
Opening shareholders' funds	(264,579)	(278,532)
Profit for the year	16,335	13,953
Closing shareholders' funds	(248,244)	(264,579)

### **14 Contingent liabilities**

The company has given an unlimited guarantee to secure the bank borrowings of other companies in the Honormead Limited group. At 31 August 2001 total group borrowings amounted to £5,706,000 (2000: £2,357,150).

### **15 Transactions with related parties**

The company has taken advantage of the exemptions in FRS 8 not to report transactions with companies which are at least 90% owned by the group.

### **16 Capital commitments**

The company had no capital commitments at 31 August 2001 (2000: £Nil).

### **17 Ultimate controlling party**

The director regards Honormead Schools Limited as the immediate parent undertaking and Honormead Limited as the ultimate parent undertaking. According to the register kept by the company, Honormead Schools Limited has 100% interest in the equity capital of Ridgewood Farm Limited.

There is not considered to be any individual controlling Honormead Limited.

Copies of the accounts of Honormead Limited can be obtained from the company's registered office.