

SIDMOUTH FLEXIBLE FORESTRY LIMITED

Number 3366285

REPORT AND ACCOUNTS

YEAR ENDING 31st MAY 2004



## Directors' Report

The directors present their report and accounts for the year of trading ending on 31st May 2004.

The principal activity of the company is commercial forestry operations.

The directors report that over the year the company made a loss of £1,299. The income from Farmland after paying interest on the loans from shareholders helped to offset the cost of maintaining the woodlands.

The market for timber products has continued to be weak. Positively, however, following a successful UKWAS audit, UKWAS Resource Manager Scheme Certification was received allowing timber to be sold with the FSC logo, identifying Sidmouth Flexible Forestry produce as coming from a sustainable source. This should help maximum prices to be achieved.

No dividend has been declared.

The authorised and issued share capital of the company consists of £294,000 nominal of £1 Ordinary shares.

At 31st May 2004 the beneficial ownership according to the Register maintained under the Companies Acts 1985 was as follows:

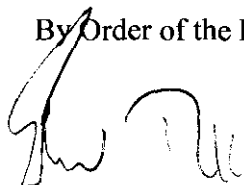
E.G.I.F. Truell	£ 60,000
D.F. Truell	£ 147,000
Trustees of the E&L Truell Children's Flexible Settlement	£ 87,000

EGIF Truell is a director of the company.

There were no political or charitable donations made during the year.

The shareholders have agreed to dispense with the need for an audit of the company's accounts. The company is a close company as defined by the Income and Corporation Taxes Act 1970.

By Order of the Board



E G I F Truell  
Director  
16th March 2005

PROFIT AND LOSS STATEMENT - Year ENDING 31st MAY 2004

	Year to 31st May 2004	Year to 31st May 2003	
Costs	(5,445)	(3,490)	Note 1
Interest Received	667	682	
Interest Payable	(5,000)	(7,164)	Note 6
Forestry Income	1,211	276	
Agricultural income	7,268	7,268	Note 2
Profit/(Loss) before Taxation	<u>(1,299)</u>	<u>(2,428)</u>	Note 3
Taxation	nil	nil	Note 4
Profit/(Loss) after Taxation	<u>(1,299)</u>	<u>(2,428)</u>	
Dividends	nil	nil	
Transfer to reserves	(1,299)	(2,428)	
Retained Earnings at 31.5.2003	(20,333)		
Retained Earnings at 31.5.2004	(21,632)		

# BALANCE SHEET - YEAR ENDING 31st MAY 2004

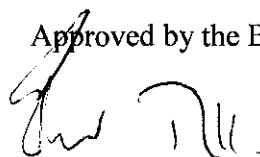
	31st May 2004	31st May 2003	
Fixed Assets	349,168	349,168	Note 4
Current Assets :			
Cash	<u>28,200</u>	<u>31,663</u>	
Less :			
Creditors less than one year	(5,000)	(7,164)	
Net Current Assets	23,200	24,499	
Total Assets			
Less current liabilities	<u>372,368</u>	<u>373,667</u>	
Share Capital	294,000	294,000	
Shareholders Loans	100,000	100,000	
Retained Earnings	(21,632)	(20,333)	
	<u>372,368</u>	<u>373,667</u>	

For the year in question the company was entitled to the exemption conferred by Subsection 1, Section 249(a).

No notice from the numbers has been deposited under Subsection 2 of Section 249(b).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and preparing accounts 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 accounts so far as they are applicable to the company.

Approved by the Board of Directors on 16th March 2005



EGIF Truell  
Director

## Accounting Policies

### Accounting Convention

These accounts have been prepared under the historical cost convention.

### NOTES TO THE ACCOUNTS

#### 1. Turnover and Profits

The company is registered for Value Added Tax, which gave rise to recoveries (accrued and actual) of £431 in the period. There were no sales in the period.

#### 2. Operating Costs

	£
Audit, bank charges, etc	1,067
Payments to forestry advisor	4,378

#### 3. Agricultural income

Sums are received half yearly in arrears at the rate of £7,268 annum in respect of the farming land and are accounted for on a received basis

#### 4. Taxation

Trading losses brought forward of £21,632 result in no tax becoming due

#### 5. Tangible fixed assets

These consist of woodlands near Sidmouth, Devon and farming land at Holyford, Devon at cost.

#### 6. Interest on shareholders loans

Mr EGIF Truell and Mr D Truell each loaned the Company £50,000 on 27/12/01 in order to acquire the Land at Holyton. It was agreed that interest on the loans would be payable at 5% per annum. The interest due and payable as at 31<sup>st</sup> May 2004 for the period 1<sup>st</sup> June 2003 to 31<sup>st</sup> May 2004 is:

E.G.I.F.Truell	£2,500.00
D.F.Truell	£2,500.00