

**CARRS BILLINGTON AGRICULTURE LIMITED**  
**- Formerly Coledene Limited**  
**(Registered Number 3574122)**

**ANNUAL REPORT**

**FOR THE PERIOD ENDED 30 APRIL 1999**



# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **ANNUAL REPORT FOR THE PERIOD ENDED 30 APRIL 1999**

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## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 APRIL 1999**

The directors present their report and the audited financial statements for the period ended 30 April 1999.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is the manufacture of compound animal feed.

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company was incorporated in June 1998. In July 1998 it changed its name to Carrs Billington Agriculture Limited. It commenced trading on 1 September 1998.

The directors consider the creation of Carrs Billington Agriculture Limited progressed in line with expectations; indeed volumes exceeded projected demand which was satisfactorily supplied utilising capacity introduced during the year.

The company expects to follow existing strategies to become the leading low cost ruminant feed manufacturer in the North West and consider opportunities to increase manufacturing capability and capacity.

#### **RESULTS AND DIVIDENDS**

The results for the period are set out on page 5. No dividends have been paid nor are proposed.

#### **DIRECTORS AND THEIR INTERESTS**

The directors who held office during the year are shown below:

C N C Holmes	(appointed 1 July 1998)
R Tomlinson	(appointed 1 July 1998)
L L R Whiteley	(appointed 1 July 1998)
P Steeples	(appointed 1 July 1998)
D J Dwyer	(appointed 2 June 1998, resigned 1 July 1998)
B J Doyle	(appointed 2 June 1998, resigned 1 July 1998)

None of the directors held any shares in the company.

## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

#### **YEAR 2000**

Many computer systems express dates using only the last two digits of the year. These systems require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. The operation of our business depends not only on our computer systems, but also to some degree on those of our suppliers and customers. There is, therefore, an exposure to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is participating in the Carr's Milling Industries PLC's (a related party) group programme designed to address the impact of the year 2000 on a number of businesses. The company has contributed a number of personnel to this group project and the board of directors is regularly updated on progress by the group's executive committee, which is controlling the exercise.

As part of the group exercise, an analysis of significant risks has been performed to determine the impact of the issue on our activities. From this, prioritised action plans have been developed that are designed to address the key risks in advance of critical dates and without disruption to the underlying business processes. Priority is being given to those systems that could cause a significant financial or legal impact on the company's business if they were to fail. The plan also includes a requirement for the testing of all critical systems.

The risk analysis considers the impact on our business of year 2000 related failures by our significant suppliers and customers. In appropriate cases formal assurance is being sought from these other parties.

Within three months of the balance sheet date all business critical systems are planned to have been modified and tested for year 2000 compliance.

## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period 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

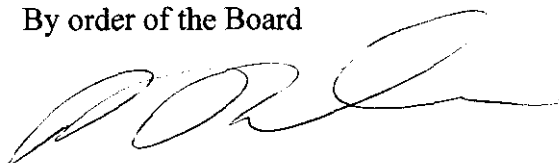
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare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

#### **AUDITORS**

During the period PricewaterhouseCoopers were appointed by the Board to fill a casual vacancy. A resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



R Tomlinson  
Director

9 July 1999

## **AUDITORS' REPORT TO THE MEMBERS OF CARRS BILLINGTON AGRICULTURE LIMITED**

We have audited the financial statements on pages 5 to 15.

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

The directors are responsible for preparing the Annual Report, including as described on page 3 the financial statements. Our responsibilities as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. 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.

### **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 affairs of the company as at 30 April 1999 and its result and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants  
and Registered Auditors  
Newcastle upon Tyne

9 July 1999

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 APRIL 1999**

	<b>Note</b>	<b>1999 £'000</b>
<b>TURNOVER</b>	2	14,790
Cost of sales		<u>(12,133)</u>
<b>GROSS PROFIT</b>		2,657
Distribution costs		(2,447)
Administrative expenses		<u>(223)</u>
<b>OPERATING LOSS</b>	3	(13)
Interest receivable and similar income		<u>13</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>-</u>
Tax on profit/(loss) on ordinary activities	6	-
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>	12	<u><u>-</u></u>

All results relate to continuing operations.

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

There are no differences between the profit/(loss) on ordinary activities before taxation and retained profit/(loss) for the period stated above and their historical cost equivalents.

The notes on pages 8 to 15 form part of these financial statements.

# CARRS BILLINGTON AGRICULTURE LIMITED

## BALANCE SHEET AS AT 30 APRIL 1999

	Note	<u>1999</u> £'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	7		317
<b>CURRENT ASSETS</b>			
Stocks	8	233	
Debtors	9	1,481	
Cash at bank and in hand		<u>1</u>	
		1,715	
<b>CREDITORS</b> (amounts falling due within one year)	10	(1,832)	
<b>NET CURRENT LIABILITIES</b>			(117)
<b>NET ASSETS</b>			<u>200</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	11		200
Profit and loss account	12		<u>-</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12		<u>200</u>

The financial statements on pages 5 to 15 were approved by board of directors on 9 July 1999 and were signed on its behalf by:



R Tomlinson  
Director

The notes on pages 8 to 15 form part of these financial statements.



# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 APRIL 1999**

	<b>Note</b>	<b>1999 £'000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	13	81
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received		13
<b>CAPITAL EXPENDITURE</b>		
Purchase of tangible fixed assets		(410)
<b>FINANCING</b>		
Issue of ordinary share capital		<u>200</u>
<b>DECREASE IN NET CASH</b>	14	<u>(116)</u>

The notes on pages 8 to 15 form part of these financial statements.

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999**

### **1 ACCOUNTING POLICIES**

#### **(a) Accounting convention**

These financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

There are no comparatives as this is the company's first accounting period.

#### **(b) Turnover**

Turnover which excludes value added tax, represents the invoiced value of goods and services supplied.

#### **(c) Depreciation**

Depreciation is provided on vehicles at rates calculated to write off the cost, less estimated residual value on a straight line basis, of each asset over its expected useful life of five years from the date of the vehicle's registration.

#### **(d) Stocks**

Stocks are valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes all production overheads and an attributable proportion of indirect overhead expenses.

#### **(e) Leases**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### **(f) Deferred taxation**

Provision is made for deferred taxation on the liability method in respect of timing differences only to the extent that a liability is expected to arise in the foreseeable futures.

#### **(g) Pension costs**

Pension contributions to defined contribution pension schemes are charged to the profit and loss account in the period to which they relate. Pension contributions to defined benefit schemes are charged in accordance with the terms agreed with the related parties operating those schemes.

### **2 TURNOVER**

All turnover relates to operations in the United Kingdom.

## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

#### **3 OPERATING LOSS**

Operating loss is stated after charging:

	<b>1999 £'000</b>
Wages and salaries	867
Social security costs	25
Other pension costs	<u>4</u>
Staff costs	896
Depreciation of owned tangible fixed assets	93
Operating lease charges	
- plant and machinery	567
Auditors remuneration	
- audit services	12
- non-audit services	<u>4</u>

#### **4 DIRECTORS' EMOLUMENTS**

Aggregate emoluments are £Nil.

Sums paid to related parties for directors' services were £32,667.

The company has not set up its own pension scheme and hence no retirement benefits are accruing to directors under a company pension scheme.

#### **5 EMPLOYEE INFORMATION**

The average monthly number of persons (including directors) employed by the company during the period was:

	<b>1999</b>
<b>By activity</b>	
Administration and management	4
Production	<u>45</u>
	<u>49</u>

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

### **6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

**1999  
£'000**

UK corporation tax at 31%

=

No provision is required for deferred taxation in accordance with accounting policy note 1(f).

The full potential liability for deferred taxation is £14,000, representing accelerated capital allowances.

### **7 TANGIBLE ASSETS**

**Vehicles  
£'000**

#### **Cost**

At 2 June 1998

-

Additions

410

At 30 April 1999

410

#### **Depreciation**

At 2 June 1998

-

Charge for the period

93

At 30 April 1999

93

#### **Net book amount**

At 30 April 1999

317

At 2 June 1998

=

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

### **8 STOCKS**

	<b>1999 £'000</b>
Raw materials	175
Finished goods	<u>58</u>
	<u><u>233</u></u>

### **9 DEBTORS**

	<b>1999 £'000</b>
Trade debtors	1,360
Other debtors	54
Prepayments and accrued income	<u>67</u>
	<u><u>1,481</u></u>

### **10 CREDITORS (amounts falling due within one year)**

	<b>1999 £'000</b>
Bank overdraft	117
Trade creditors	1,551
Accruals and deferred income	<u>164</u>
	<u><u>1,832</u></u>

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

### **11 CALLED UP EQUITY SHARE CAPITAL**

	<b>1999 £'000</b>
<b>Authorised</b>	
250,000 Ordinary A shares of £1 each	250
250,000 Ordinary B shares of £1 each	<u>250</u>
	<u>500</u>
<b>Allotted and fully paid</b>	
100,000 Ordinary A shares of £1 each	100
100,000 Ordinary B shares of £1 each	<u>100</u>
	<u>200</u>

During the period 100,000 Ordinary A and 100,000 Ordinary B shares were issued for cash at their nominal value. Each class of share carries voting rights and rights to dividends equal to all other classes of share.

# **CARRS BILLINGTON AGRICULTURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

### **12 MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**

	Share capital £'000	Profit and loss account £'000	Total equity shareholders' funds £'000
At 2 June 1998	-	-	-
New share capital issued	200	-	200
Retained profit/(loss) for the period	-	-	-
At 30 April 1999	<u>200</u>	<u>-</u>	<u>200</u>

### **13 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1999 £'000
Operating loss	(13)
Depreciation	93
Increase in stocks	(233)
Increase in debtors	(1,481)
Increase in creditors	<u>1,715</u>
Net cash inflow from continuing operations	<u>81</u>

### **14 ANALYSIS OF CHANGES IN NET DEBT**

	At 2 June 1998 £'000	Cash flows £'000	At 30 April 1999 £'000
Bank overdraft	-	(117)	(117)
Cash at bank and in hand	-	<u>1</u>	<u>1</u>
Net debt	<u>-</u>	<u>(116)</u>	<u>(116)</u>

## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

#### **15 PENSION COMMITMENTS**

The company does not operate a pension scheme. Employees are members of either the defined contribution or defined benefit schemes operated by two related parties, Carr's Milling Industries PLC and Billington Agriculture Limited. Details of these schemes are given in those companies' own financial statements.

#### **16 FINANCIAL COMMITMENTS**

At 30 April 1999, the company had annual commitments under non-cancellable operating leases for feed mill plants (including related machinery) expiring as follows:

	£'000
Within one year	-
Within two to five years	-
After five years	<u>914</u>
	<u>914</u>

#### **17 CONTINGENT LIABILITIES**

The company had no contingent liabilities at 30 April 1999.

#### **18 RELATED PARTY TRANSACTIONS**

During the period the company sold compound animal feed and haulage to Billington Agriculture Limited totalling £9,373,755 and to Carrs Agriculture Limited £5,439,863.

The company purchased raw materials and services during the period from Criddle and Company of £8,620,507, from Billington Agriculture Limited amounting of £451,240 and R Hind Limited of £131,431. The company incurred operating lease charges for the use of the feed mills of £566,666 from Billington Agriculture Limited. Company purchases of £921,835 from Carrs Agriculture Limited during the period included £202,000 in respect of payments to acquire tangible fixed assets.

At 30 April 1999, debtors included £540,556 due from Carrs Agriculture Limited and £673,014 due from Billington Agriculture Limited.



## **CARRS BILLINGTON AGRICULTURE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 1999 (CONTINUED)**

#### **18 RELATED PARTY TRANSACTIONS (CONTINUED)**

Creditors at 30 April 1999 included £580,335 payable to Billington Agriculture Limited, £39,621 payable to R Hind Limited and £21,921 payable to Carrs Agriculture Limited.

The companies noted above are related parties of Carrs Billington Agriculture Limited.