

NORTH GRANGE FARMING COMPANY LIMITED

Company No: SC148007

FINANCIAL STATEMENTS

- for the year ended -

31 DECEMBER 1996

Andrew Hamilton & Co
Chartered Accountants
38 Dean Park Mews
Edinburgh, EH4 1EP



NORTH GRANGE FARMING COMPANY LIMITED

DIRECTOR

F Thompson

SECRETARY

J Frame

BUSINESS ADDRESS

North Grange Farm
Monifieth
Dundee
DD5 4HU

REGISTERED OFFICE

North Grange Farm
Monifieth
Dundee
DD5 4HU

ACCOUNTANTS

Andrew Hamilton & Co
Chartered Accountants
38 Dean Park Mews
Edinburgh
EH4 1ED

SOLICITORS

A & R Robertson & Black
Bank Street
Blairgowrie
Perthshire
PH10 6DE

PRINCIPAL BANKERS

The Royal Bank of Scotland plc
12 Dunkeld Road
Perth
PH1 5RB

NORTH GRANGE FARMING COMPANY LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

Page

1	Report of the director
2	Accountants' report
3	Profit and loss account
4	Balance sheet
6	Notes to the financial statements

NORTH GRANGE FARMING COMPANY LIMITED

REPORT OF THE DIRECTOR

The director presents her report and the financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal trade of the company during the year was that of farmer.

The director is dissatisfied with the results for the year but is confident that the results will be improved upon in future years.

DIVIDEND AND TRANSFER TO RESERVES

The director does not recommend payment of a dividend.

It is proposed that the loss of £56,900 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTOR AND HER INTERESTS

The director at the balance sheet date and her interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1996</u>	<u>1995</u>
F Thompson	Ordinary shares	99	99

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

Date: 29 December 1997...

By Order of the Board
J Frame
J Frame
Secretary

NORTH GRANGE FARMING COMPANY LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED FINANCIAL STATEMENTS OF NORTH GRANGE FARMING COMPANY LIMITED

We report on the financial statements for the year ended 31 December 1996 set out on pages 3 to 11.

Respective responsibilities of director and reporting accountants

As described on the Balance Sheet the company's director is responsible for the preparation of the financial statements, and she considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



**Andrew Hamilton & Co
Reporting Accountants
Chartered Accountants**

**38 Dean Park Mews
Edinburgh
EH4 1ED**

Date: *29 December 1997*

NORTH GRANGE FARMING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

	Notes	1996 £	1995 £
TURNOVER		28,560	91,634
Cost of sales		(37,147)	(51,385)
GROSS LOSS		(8,587)	40,249
Administrative expenses		(34,625)	(28,907)
		(43,212)	11,342
Other operating income		10,919	575
OPERATING LOSS	2	(32,293)	11,917
Interest payable	3	(24,607)	(22,334)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(56,900)	(10,417)
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR	11	(56,900)	(10,417)

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 11 form part of these financial statements.

NORTH GRANGE FARMING COMPANY LIMITED**BALANCE SHEET AT 31 DECEMBER 1996**

	Notes	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible assets	4		175,008		160,442
CURRENT ASSETS					
Stocks	5	24,000		35,750	
Debtors	6	17,730		12,059	
			<u>41,730</u>	<u>47,809</u>	
CREDITORS: Amounts falling due within one year	7	(241,304)		(188,173)	
NET CURRENT LIABILITIES			<u>(199,574)</u>	<u>(140,364)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			(24,566)	20,078	
CREDITORS: Amounts falling due after more than one year	8		(37,174)	(24,918)	
			<u>(61,740)</u>	<u>(4,840)</u>	
CAPITAL AND RESERVES					
Called up share capital	10		100	100	
Profit and loss account	11		(61,840)	(4,940)	
			<u>(61,740)</u>	<u>(4,840)</u>	

The statements required to be made by the company director and the signature required by the Companies Act 1985 are given on the following page.

The notes on pages 6 to 11 form part of these financial statements.

NORTH GRANGE FARMING COMPANY LIMITED

BALANCE SHEET AT 31 DECEMBER 1996 (Continued)

The director has taken advantage of the exemption conferred by section 249A(2) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledges her responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 December 1996 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

The financial statements were approved
by the board on 29 December 1997 and
signed on its behalf by

F Thompson Flora Thompson, Director

The notes on pages 6 to 11 form part of these financial statements.

NORTH GRANGE FARMING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

These financial statements have been prepared on the going concern basis on the assumption that the company will continue to receive the support of its bankers and director.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Freehold buildings	2%	Straight line
Plant and machinery	20%	Straight line
Motor vehicles	25%	Straight line
Tenant's improvements	10%	Straight line

1.4 STOCKS

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

NORTH GRANGE FARMING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

2. OPERATING LOSS	1996	1995
	£	£
The operating loss is stated after charging:		
Depreciation	21,663	15,356
Hire of equipment	-	380
and after crediting:		
Rents receivable	10,919	-
	<hr/>	<hr/>
3. INTEREST PAYABLE	1996	1995
	£	£
On bank loans and overdrafts and on loans repayable in full within five years	17,894	13,214
On other interest	-	5,887
On overdue tax	200	-
Hire purchase interest	6,513	3,233
	<hr/>	<hr/>
	24,607	22,334
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NORTH GRANGE FARMING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

4. TANGIBLE ASSETS

	Land & buildings £	Plant & machinery £	Tenant's Imp'mnts £	Motor vehicles £	Total £
<u>Cost</u>					
At 1 January 1996	104,197	58,669	3,290	12,670	178,826
Additions	-	36,300	-	15,791	52,091
Disposals	-	(15,500)	-	(7,200)	(22,700)
At 31 December 1996	104,197	79,469	3,290	21,261	208,217
<u>Depreciation</u>					
At 1 January 1996	124	14,763	329	3,168	18,384
Charge for year	124	15,894	329	5,316	21,663
On disposals	-	(5,038)	-	(1,800)	(6,838)
At 31 December 1996	248	25,619	658	6,684	33,209
<u>Net book value at 31 December 1996</u>	103,949	53,850	2,632	14,577	175,008
<u>Net book value at 31 December 1995</u>	104,073	43,906	2,961	9,502	160,442
				1996	1995
				£	£
Analysis of net book value of land and buildings:					
Freehold				103,949	104,073
Included above are assets held under finance leases or hire purchase contracts as follows:					
				1996	1995
				£	£
Net book values:					
Plant and machinery				45,840	32,862
Motor vehicles				14,577	9,502
				60,417	42,364
Depreciation charge for the year:					
Plant and machinery				12,860	8,700
Motor vehicles				5,316	3,168
				18,176	11,868

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

NORTH GRANGE FARMING COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996**

5. STOCKS	1996 £	1995 £
Livestock valuation	20,000	25,000
Crop valuation	3,000	10,000
Other stocks	1,000	750
	<u>24,000</u>	<u>35,750</u>

6. DEBTORS	1996 £	1995 £
Trade debtors	-	8,059
Loan to a director	13,550	1,349
Other debtors	792	1,421
Advance corporation tax	3,388	-
Prepayments and accrued income	-	1,230
	<u>17,730</u>	<u>12,059</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
Bank loans and overdrafts	199,836	157,581
Trade creditors	16,596	16,787
Corporation tax	3,388	-
Net obligations under finance lease and hire purchase contracts	17,674	11,800
Accruals and deferred income	3,810	2,005
	<u>241,304</u>	<u>188,173</u>

The bank overdrafts are secured by a Bond and Floating Charge over the whole assets of the company dated 6 May 1994, and a Standard Security dated 19 April 1995.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996 £	1995 £
Net obligations under finance leases and hire purchase contracts	37,174	24,918
	<u>37,174</u>	<u>24,918</u>

NORTH GRANGE FARMING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

9. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1996 £	1995 £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
In one year, or less or on demand	17,674	11,800
Between one and two years	16,948	11,792
Between two and five years	20,226	13,126
	<hr/>	<hr/>
	54,848	36,718
Included in current liabilities	(17,674)	(11,800)
	<hr/>	<hr/>
	37,174	24,918
	<hr/>	<hr/>
 10. SHARE CAPITAL	 1996 £	 1995 £
<u>Authorised</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
 11. PROFIT AND LOSS ACCOUNT	 1996 £	 1995 £
Accumulated losses at 1 January 1996	(4,940)	5,477
Loss for the financial year	(56,900)	(10,417)
	<hr/>	<hr/>
Accumulated losses at 31 December 1996	(61,840)	(4,940)
	<hr/>	<hr/>

NORTH GRANGE FARMING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Loss for the financial year	(56,900)	(10,417)
Shareholders' funds at 1 January 1996	(4,840)	5,577
	<hr/>	<hr/>
Shareholders' funds at 31 December 1996	(61,740)	(4,840)
	<hr/>	<hr/>
Represented by:-		
Equity interests	(61,740)	(4,840)
	<hr/>	<hr/>
	(61,740)	(4,840)
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NORTH GRANGE FARMING COMPANY LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 1996

NORTH GRANGE FARMING COMPANY LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 1996

	1996		1995	
	£	£	£	£
CROP ACCOUNT				
Sales				
Barley		11,330		8,213
oil seed rape		222		19,599
Oats		-		14,957
Hay		800		-
Set-aside		3,994		10,928
Potatoes		-		19,422
		<hr/>		<hr/>
		16,346		73,119
 Cost of sales				
Valuation at 1 January 1996	10,000		9,216	
Fertilisers and sprays	7,695		16,148	
Seeds	1,125		10,169	
Contract work and hire	3,985		12,728	
Land rent	2,363		2,363	
Sundry crop expenses	87		180	
Valuation at 31 December 1996	(3,000)		(10,000)	
		<hr/>		<hr/>
		22,255		40,804
 Gross Margin on Crops		<hr/>		<hr/>
		(5,909)		32,315
 LIVESTOCK ACCOUNT				
Sales				
Cattle		7,055		16,734
Horses		1,200		-
		<hr/>		<hr/>
		8,255		16,734
 Cost of sales				
Valuation at 1 January 1996	25,000		23,600	
Livestock purchases	6,550		7,055	
Feed	843		1,187	
Veterinary and medicines	1,601		2,292	
Sundry livestock expenses	898		1,447	
Valuation at 31 December 1996	(20,000)		(25,000)	
		<hr/>		<hr/>
		14,892		10,581
 Gross Margin on Livestock		<hr/>		<hr/>
		(6,637)		6,153
 TOTAL GROSS MARGIN carried forward		<hr/>		<hr/>
		(12,546)		38,468

NORTH GRANGE FARMING COMPANY LIMITED**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 1996

TOTAL GROSS MARGIN brought forward	(12,546)	38,468
ADMINISTRATIVE EXPENSES	(34,625)	(28,907)
	<u>(47,171)</u>	<u>9,561</u>
OTHER OPERATING INCOME		
Rent receivable	10,919	-
Contract work	3,959	1,781
Sundry income	-	575
	<u>14,878</u>	<u>2,356</u>
OPERATING LOSS	<u>(32,293)</u>	<u>11,917</u>
OTHER INCOME AND EXPENSES		
Interest payable:		
Bank interest	17,894	13,214
Other interest	-	5,887
Hire purchase interest	6,513	3,233
Interest on overdue tax	200	-
	<u>(24,607)</u>	<u>(22,334)</u>
NET LOSS FOR THE YEAR	<u><u>(56,900)</u></u>	<u><u>(10,417)</u></u>

NORTH GRANGE FARMING COMPANY LIMITED

ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 1996

	1996	1995
	£	£
ADMINISTRATIVE EXPENSES		
Insurance	1,580	560
Light and heat	1,057	1,326
Repairs and maintenance	2,891	8,467
Printing, postage and stationery	277	338
Advertising	135	-
Telephone	760	901
Hire of equipment	-	380
Motor expenses	5,602	6,235
Legal and professional	2,946	5,425
Accountancy	1,500	1,500
Bookkeeping fees	222	199
Bank charges	3,723	1,815
Credit charges	584	3,350
General expenses	17	368
Subscriptions	848	326
Depreciation	21,663	15,356
Profit on disposal of fixed assets	(9,180)	(17,639)
	<hr/>	<hr/>
	34,625	28,907
	<hr/>	<hr/>